MERGERS AND ACQUISITIONS HYBE & ITHACA / TOSHIBA & WESTINGHOUSE

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Abstract:

Exploring different structures of business that would allow them to survive is an important part of studying companies and their operation. As observed same type of companies have a chance to be successful as fast as in two months, but the same company may not exist if it doesn't accept change and adopt to its changing environment.

In this paper we analyze ways companies stay viable and competitive through mergers and acquisitions, what are the problems they need to solve along the way. Mergers and Acquisition is one of the most common ways for the companies to stay afloat. Mergers are a frequent occurrence in the business world, and they can have significant impacts on both the companies involved and the overall economy. The primary benefit of mergers is that they allow companies to pool resources, expertise, and market share to create a more competitive entity. This can lead to increased efficiency, improved profitability, and greater innovation. Consumers are affected in significant ways by mergers as well. Due to economies of scale, when two businesses unite, they can be able to offer superior goods or services at lower prices. However, success and failure are two sides of the same coin. that's the case with mergers as well. Not all mergers are successful, and many have failed over the years, which can be attributed to several factors, including cultural differences, poor communication, and lack of synergy.

Generally, we discuss companies of U.S.A and Europe but as we are the students of the future, we decided to broaden our vision and decided to investigate the east Asian corporate world in relevance to Toshiba, a big Japanese computer and electronics firm and HYBE entertainment, a major player in South Korean musical industry. By conducting this research, we looked into issues like the business goals, the main drivers and rationales for the merge, management style, and we discussed whether the merger was successful or not. In our paper we outline the lessons learnt and give recommendations.

Keywords: Merger, Acquisition, Environment Scan, Adaptability

Introduction

Actuality of Research

Life will inevitably include change, it is the only constant thing in this world that we can rely on, because the significance of change lies in its ability to bring growth, progress, and evolution. Change challenges us to adapt, acquire new skills, and explore new possibilities. It allows us to break free from our comfort zones and embrace new experiences that can enrich our lives. And one of the greatest examples of this is a merger. Mergers are a common occurrence in the business world and they can have significant impacts on both the companies involved and the overall economy. Statistically, in 2022, there were a total of 18,072 mergers and acquisitions deals, indicating a decline compared to the previous year's figure of 23,161. It is noteworthy that a significant portion, ranging from 70%-90% of these M&A deals did not succeed. This emphasizes the urgency and relevance of this topic within the current business world, as the challenges associated with M&A transactions continue to persist and warrant careful consideration.

Object of Research

By studying mergers, we can gain insights into the strategic, financial, and operational factors that drive these transactions and how they impact various stakeholders. Mergers can also provide valuable lessons on how to effectively manage the integration process, including cultural integration, operational alignment, and communication strategies. That’s why the object of our research lies in understanding the underlying motives that drive companies to pursue such transactions, as well as examining the implementation process and its impact on organizational outcomes. The primary objective is to investigate whether M&A activities assist companies in overcoming challenges or inadvertently create additional barriers during the process. The research delves into the motivations behind companies joining forces, such as achieving economies of scale, expanding market reach, accessing new technologies, pooling resources or diversifying product portfolios, which can lead to increased efficiency, improved profitability, and greater innovation. Consumers are affected in significant ways by mergers as well.

However, merging two entities represents a significant undertaking in the corporate landscape, accompanied by a multitude of potential pitfalls. One prominent concern lies in the clash of organizational cultures, wherein divergent values, beliefs, and practices can impede successful integration. This cultural misalignment often leads to conflicts among employees, communication breakdowns, and a decline in overall morale. Such Challenges may manifest in reconciling disparate technologies, harmonizing workflows, and streamlining procedures, ultimately giving rise to disruptions and operational inefficiencies.

By examining the outcomes of M&A transactions, we aim to shed light on whether these endeavors effectively address challenges or introduce new complexities that may impede organizational performance and long-term sustainability.

Research Aim and Objectives

However, one thing to note is that success and failure are two sides of the same coin. These are unavoidable aspects of life that we all go through at some point and that's the case with mergers as well. Not all mergers are successful, and many have failed over the years, which can be attributed to several factors, including cultural differences, poor communication, and lack of synergy. Rationales and drivers play a crucial role in the success of a merger, as they provide the strategic and operational foundations for combining two entities. Rationales refer to the underlying justifications and reasons for pursuing a merger, such as achieving economies of scale, entering new markets, or accessing complementary resources. It is essential for these rationales to be clear and well understood by both companies involved, as they form the basis for alignment and integration efforts. Additionally, a sufficient number of common drivers must be present for a merger to thrive. While some divergence in drivers may exist, it is crucial for the companies to have compatible rationales and drivers. A merger is more likely to succeed when the companies' rationales and drivers are not drastically different, as this ensures a shared vision and strategic direction. Notably, the success or failure of a merger can hinge on the extent to which the companies' rationales and drivers align, as evidenced by cases where identical companies with varying degrees of success can be attributed to the presence or absence of compatible rationales and drivers.

As the Asian business world in terms of mergers and acquisitions offers valuable insights due to its rapid economic growth and increasing regional integration, creating opportunities in emerging markets and industries, we decided to broaden our vision and investigate the east Asian corporate world in relevance to Toshiba, a big Japanese computer and electronics firm and HYBE entertainment, a major player in South Korean musical industry. In the given paper, we'll discuss both successful and unsuccessful mergers and dive deeply into their world.

Research Methodology

The mergers between HYBE and Ithaca Holdings, as well as Toshiba and Westinghouse, are significant events in their respective industries. Writing about these mergers offers insights into strategic decision-making, industry impact, market dynamics, synergies and challenges, financial implications, and stakeholder perspectives. These analyses contribute to the knowledge base, facilitate discussions on corporate consolidation and industry trends, and serve as a reference for academics, professionals, investors, and industry observers.

In this paper we employed a comprehensive research approach to analyze the rationale and drivers of each merger. This involved reviewing industry reports, news articles, and company announcements to gather insights into the strategic objectives. We assessed the competitive landscape, market trends, and financial aspects of the companies, considering potential synergies and growth strategies. Stakeholder perspectives were incorporated through shareholder opinions, industry expert analyses, and executive interviews. By utilizing these research methodologies, we gained a comprehensive understanding of each merger's motivations, in the form of drivers and rationales, and potential benefits.

The HYBE-Ithaca merger aimed to combine entertainment expertise with technological capabilities for strategic expansion, while the TOSHIBA-Westinghouse merger sought to strengthen their presence in the energy sector. These mergers were pursued to achieve strategic objectives, drive growth, and enhance competitiveness. To ensure the successful execution of the mergers, both the HYBE-Ithaca and TOSHIBA-Westinghouse transactions followed key steps. This involved strategic assessment to identify the potential benefits, negotiations to determine terms and conditions, and a comprehensive due diligence process to evaluate financial, operational, legal, and regulatory aspects. Legal agreements were drafted and finalized, and regulatory approvals were obtained. Integration planning was crucial, focusing on consolidating operations, systems, processes, and cultures. Timely execution and project management techniques were employed to track progress, address challenges, and ensure a smooth transition.

These steps enabled the companies to leverage their combined strengths, achieve operational efficiencies, expand into new markets, and create value for stakeholders. The strategic assessment, negotiations, due diligence, legal agreements, regulatory approvals, integration planning, and timely execution were instrumental in the successful execution of the mergers. By following this structured approach, the companies effectively combined their resources, expertise, and market presence, positioning themselves for growth and enhancing their competitive advantage.

To ensure a successful merger, key activities include having a clear strategic vision, conducting thorough due diligence, and effective integration planning. In this case, the HYBE-Ithaca merger is a perfect representation of that. The merger succeeded due to their shared vision, comprehensive due diligence, and integration of talent and distribution networks. Learning from their experience it is definitely possible for other failed mergers to learn,

In the case of a failed merger, steps to increase success include addressing cultural differences, renegotiating terms, and conducting a comprehensive analysis of failure. For instance, failed mergers can be salvaged by fostering a collaborative culture, revisiting terms and conditions, and learning from the experience to avoid similar mistakes in the future.

Toshiba Westinghouse can draw valuable insights from the successful merger between HYBE and Ithaca. Firstly, it is imperative for them to establish a well-defined strategic vision that aligns the goals and objectives of both entities. This will serve as a solid framework and guide for the merged organization. Thorough due diligence should be conducted to identify potential risks, challenges, and areas of synergy, enabling informed decision-making throughout the merger process.

Furthermore, a robust integration plan must be devised, encompassing the necessary steps to ensure a smooth transition. This plan should address cultural disparities and foster a collaborative corporate culture, recognizing the significance of cultural alignment in successful mergers. Effective talent integration is also pivotal, involving the identification and retention of key personnel from both organizations. Strategies promoting knowledge sharing and collaboration should be implemented to harness the combined expertise of the merged entity.

By adopting these practices, Toshiba Westinghouse can enhance the likelihood of a prosperous merger, optimizing the value generated through integration. Lessons learned from the HYBE and Ithaca merger will aid in navigating the intricacies of merging two entities, culminating in the formation of a unified, fortified organization.

HYBE & ITHACA

Overview of the Companies

HYBE Corporation, a South Korean multinational entertainment company, who's innovative strategies and unique approach has helped propel their artists, especially BTS, to global stardom. Their dedication to creating meaningful connections with fans and pushing boundaries in both music and fashion has solidified their place as one of the most influential entertainment companies in pop culture today.

Ithaca Holdings, a media and entertainment company that has quickly become a major player in the industry, representing some of the biggest names in western music and entertainment, includingJustin Bieber, Ariana Grande, J Balvin, Demi Lovato and more.

In June 2021, it was announced that Ithaca Holdings would be acquired by South Korean conglomerate, HYBE, for $1.05 billion, creating a global music and entertainment powerhouse. Thismerger is significant for both companies as it allows them to expand their reach and influence on a global scale. It also highlights the growing importance of K-pop and Asian markets in the music industry as it brings together some of the biggest names in music.

Drivers and Rationale for Merger

When we want to dive deeper into the logic behind the merger, we look at what were the driversand rationales for a particular merger. The drivers of mergers are the reasons that motivate companies to pursue consolidation. These can include strategic goals such as expansion into new markets or gaining access to new technologies, financial benefits such as increased revenue or reduced costs, industry consolidation, synergies, and access to capital.

In the case of HYBE one of the main drivers for acquiring Ithaca Holdings was to *require specialskills and resources* from it. HYBE has access to one of the biggest names in the music industry ranging from western artists like Justin Bieber to south Korean bands like BTS and many more. Withtheir devoted followers/fans, the company can gain more profit off of their future success. Secondly, we can say that the acquisition gives HYBE access to Ithaca's management team, which will allow the company to leverage its expertise and experience in the music industry. It will especially benefit HYBE's international expansion, as the company can now rely on Ithaca's team to help them establish operations in other countries. Lastly, it would give the music label access to current trends and understand the consumers' needs a lot better which in return allows the company to make better decisions in the near future. As the HYBE chairman and CEO *Bang Si-Hyuk* said in the interview with "Variety" following the acquirement: ***"...The two companies will work closely together leveraging our proven track records of success, know-how, and expertise to create synergy, transcend borders and break down cultural barriers..."***. The biggest common driver that both entertainment companies want to achieve with acquisition is globalizing their markets, improving their technical and managing side of the industry, and expanding beyond the borders. The massivefanbases in both respective companies would bring huge revenue and dominance in the entertainment industry.

Table Figure 1

HYBE & Ithaca	
Drivers	Rationales
• Acquire special skills and resources • Access to Western management team • Access to current trends & understanding the customer on a global basis	Strategic rationale • pursuit of diversification • Market Synergy • Global Expansion

As we have already discussed, drivers are distinct, mid-level elements, frequently operational, that determine whether or not a merger is appropriate. Yet rationales for a merger between two businesses are more significant than drivers. The higher-level justifications that indicate the potentialmerger decision circumstances make up the rationale. When it comes to HYBE entertainment it is pretty clear that the main rationale for joining ScooterBraun’s Ithaca Holdings was a strategic rationale, if we do some research, we will see that the market and industry knowledge of Ithaca Holdings would hasten the entry of HYBE artists into the US and other markets and boost HYBE's competitiveness globally, thus why it only made sense for those two to join. The fact that these two companies have already reached success on their own onlymade more sense that the merger between the two would result in success.

After figuring out what are the main drivers and rationales some other difficulties arise during the merge. It takes a lot of time and dedication to build a good organizational structure and corporate culture. When two companies are joining, the structure of each firm may undergo significant changes depending on the terms of the merger agreement. Typically, the two merging companies will work together to establish a new organizational structure that can accommodate both entities. This may involve creating new departments, consolidating existing units, or shifting responsibilities between executives. The goal is to create a structure that maximizes the strengths of both companies while minimizing any redundancies or inefficiencies. The new structure may also include a new hierarchyof leadership, with executives from both companies taking on new roles and responsibilities. The success of the merger will depend on the ability of the newly formed company to effectively integrate the strengths and cultures of both organizations into a cohesive structure that can drive growth and profitability.

The Process of Merger

In the case of HYBE entertainment and Ithaca holdings it would be even harder to imagine because apart from everything we have got to add a cultural fact as well, because something that mayseem normal to Americans, could appear as really strange in South Korea, however the two companies where really good at managing all of the difficulties.

HYBE always had a well-defined organizational structure with clear lines of authority and responsibility. The company's organizational structure is designed to facilitate the efficient operationof various departments and ensure the smooth execution of business processes.

At the top of the organizational hierarchy is the CEO, **Bang Si-hyuk**, who’s the visionary behind the company's success, a maestro who conducts the overall direction of the organization and makes the key strategic decisions that keeps HYBE at the forefront of the music industry. Underneath the CEO are the heads of each division, including the talent, music and marketing division. They are responsible for managing the day-to-day operations of their respective divisions, overseeing teams ofmanagers and employees. The talent division is a symphony of creativity, responsible for managing and developing HYBE's roster of artists. Singers, dancers, and other performers are nurtured and cared for by talented managers who help them reach their full potential. The music division is actually the beat behind the magic, responsible for producing and promoting HYBE's music. From creating albums to music videos and other promotional materials, they are the ones who make sure that HYBE's music is heard around the world. And then there’s the marketing division, the hype behind the music, who are responsible for creating and executing marketing campaigns that promotethe label’s artists and their singles. Through their advertising, social media, and other promotional materials, they ensure that the world knows the power of HYBE entertainment’s music.

But these leaders can't do it alone. They’ve teams of managers and employees who work tirelessly to bring HYBE 's artists and music to life. These professionals are the ones who make sure that everynote is perfect, every move is flawless, and every promotion is on point. Together, this musical armyis a force to be reckoned with, an organization that has mastered the art of creating and promoting music all around the world.

As for Ithaca Holdings, a media and entertainment holding company that was founded by entrepreneur and music industry executive, Scooter Braun, the company’s structure was not much different from any other private holding company.

Ithaca Holdings owns several subsidiary companies, including Big Machine Label Group, AtlasMusic Publishing, SB Projects, and Mythos Studios. These subsidiaries operate in the music, publishing, film, and television industries and work with a range of artists and creators to develop and distribute content. Ithaca Holdings has a diverse portfolio of assets and operates with a decentralized structure, allowing its subsidiaries to operate independently while leveraging the resources and expertise of the larger organization.

The company's internal staff of executives and business consultants handled investments and offered strategic advice on financial, legal, and operational issues. Another thing is that, Ithaca Holdings maintained a board of advisors made up of financial specialists and business professionals, meaning that the strategic direction and investment prospects were advised by this board. The company also had a network of strategic advisers and business partners that gave it access to fresh prospects and resources. Companies that were already well-established as well as those that were justgetting started were all part of this network.

As of 2021 both Ithaca Holdings and HYBE announced a merger that will combine their strengthsin the global music industry. The new combined structure would create a powerful entity that wouldleverage Ithaca's experience in talent management, media production, and technology, with HYBE'sexpertise in artist development, music production, and global distribution. Under the new structure, the two companies merged their operations and formed a new global music powerhouse.

One of the main changes was that Ithaca holdings no longer exists, now the spotlight falls upon HYBE America and with this the merger resulted in the formation of a new management team that oversees the combined company's various divisions, including artist management, music production, content creation, and global business. The two companies will work together to integrate their cultures and strengths, with a focus on delivering unparalleled value to fans and creating unique opportunities for artists.

Lessons Learnt

The new combined structure truly has a global reach, with offices in the US, South Korea, Japan, and other key markets around the world. This enables the combined company to expand its presence in both established and emerging markets and take advantage of new growth opportunities. The new structure also creates synergies and cost savings, with both companies being able to share resources and expertise to drive growth and profitability. The company's structure is designed to support its IP-centric strategy, which aims to build strong artist and content brands that resonate with fans worldwide. This approach involves several key elements, including:

- **Talent Development:** HYBE's success is built on its ability to identify and develop talented artists who have the potential to become global superstars. The company's rigorous training and development programs help artists hone their skills and develop their unique identities, ensuring they stand out in a crowded market.
- **Strong Brandin**g: HYBE places a strong emphasis on building strong brands for its artists and content. This involves developing unique concepts and storylines that resonate with fans and creating memorable music videos, merchandise, and other content that fans can connect with.
- **Digital Distribution:** HYBE has been quick to embrace digital distribution platforms and has a strong presence on major streaming platforms like Spotify, Apple Music, and YouTube. This allows the company to reach fans around the world and generate significant revenue from digital music sales.
- **Innovative Marketing:** HYBE is known for its innovative marketing strategies that leverage social media and other digital channels to engage fans and create buzz around new releases. The company also uses data analytics and market research to identify new growth opportunities and stay ahead of emerging trends. Another quite interesting and up-to-date innovation is that HYBE has acquired Supertone, a company that uses artificial intelligence (AI) to mimic the vocals of deceased music vocalists. HYBE wants to "unveil new content and services to our fans" by integrating its content-creation skills with Supertone's AI-based speaking and singing vocal synthesis technology. Looking between the lines, it seems like HYBE may do anything, from making new BTS songs without the singers' cooperation to exploiting the voices of BTS in chatbot applications. While this will undoubtedly offend many people, it is quickly becoming a given for the industry. In addition, HYBE is slowly accumulating the resources required to create entirely virtual performers, an idea that is not entirely new to East Asian music fans.
- **Content trove:** The direct-to-fan strategy aids artists in creating deeper connections with their fans and finding new revenue streams. But it also puts more pressure on artists to always create new work, ironically depriving them of free time to do so. One of the key benefits of signing with a label is that a company will take care of all non-musical requirements like marketing and money. Although labels will continue to do this important task, it is harder for artists to delegate it as social media and marketing become more intertwined. In order to adjust

to this new reality, labels must alter the value proposition they make. The "artist-indirect" business of HYBE is centered on developing novel goods and content utilizing the artist's IP (such as cartoons and lyric books) without the artist's direct involvement. There is clearly benefit in the exchange, but it does require the artist to give up more of their rights to the label. The firm has remarked concerning the tactic that "when the artist is directly involved in more activities and projects, their health and quality of the output are sure to be damaged." Similarly, the business said that it has "acquired content in advance" of BTS' break, "which will enable BTS to maintain their connection with fans for the foreseeable future."

- **Global Expansion**: HYBE has been aggressively expanding its global presence in recent years, establishing offices in key markets around the world and launching new groups like ENHYPEN and TXT. The company's global expansion strategy is focused on building strong relationships with fans and creating unique experiences that drive engagement and loyalty

As we already mentioned, HYBE is organized into several divisions, including artist management, music production, content creation, and global business, each led by experienced executives. The company also has subsidiaries, such as BELIFT LAB, which focuses on debuting new groups, and HYBE Labels Japan, which oversees its activities in the Japanese market. This structure has enabledHYBE to achieve remarkable success and grow its influence globally, with its artists, such as BTS and SEVENTEEN, dominating charts and breaking records around the world.

Overall, the combined structure of Ithaca and HYBE creates a new entity that is greater than the sum of its parts, with a strong focus on delivering value to fans and creating opportunities for artists. The merger represents a significant step forward for both companies and the global music industry as awhole.

HYBE's mission to create a new global entertainment culture through music, and Ithaca's mission to identify and develop talented artists and produce innovative and creative content, complement each other perfectly. Together, HYBE and Ithaca Holdings have set their sights on becoming the leading entertainment company that inspires and connects people around the world through their shared passion for music and entertainment. Their joint vision is to change the culture through content that moves people's hearts, fosters meaningful connections between artists and fans, and resonates with audiences of all ages and backgrounds.

As a united force, HYBE and Ithaca are poised to create a new era in the entertainment industry, one that celebrates creativity, diversity, and the power of music to bring people together. They will continue to push boundaries, create innovative and high-quality content, and lead the way in shaping the future of the global entertainment industry. Their mission and vision to inspire, connect, and move people's hearts through music will remain at the core of everything they do, driving their success and cementing their status as the leaders in the global entertainment industry.

Since the merger was announced, the new combined company has made significant strides in the music industry. The company has expanded its global footprint, signed new artists and established partnerships with major players in key markets around the world. The company's digital streaming numbers have also been impressive, with several of its artists achieving significant success on major streaming platforms like Spotify and Apple Music. One key indicator of the merger's success has also been the market performance of HYBE's stock. Since the merger was announced, HYBE's stock has seen significant growth, with the company's market capitalization increasing by billions of dollars. This growth reflects the market's confidence in the new combined company's ability to achieve sustained success in the global music industry.

Overall, the merger between Ithaca Holdings and HYBE has been a successful move, bringing together two powerful entities with complementary strengths and creating a new global music powerhouse. The success of the merger can be seen in the company's strong performance in the music industry, its impressive market performance, and it bodes well for the company's future growth and success.

TOSHIBA & WESTINGHOUSE ELECTRIC

Overview of the companies

Toshiba Company is a Japanese multinational conglomerate that has been in existence since 1939. The company's headquarters are located in Tokyo, Japan, and it has operations in various parts of the world. Toshiba is known for its production of electronic devices such as laptops, televisions, and home appliances.

Westinghouse Electric quickly became a leader in the electrical industry, after its foundation in 1886, developing innovative technologies such as the alternating current (AC) motor and transformer. Westinghouse Electric's impact on society cannot be overstated. Its AC system allowed for the widespread adoption of electric power, powering everything from homes to factories to transportation systems. The company also played a crucial role in electrifying America's railroads, making travel faster and safer than ever before.

The merger of Toshiba and Westinghouse was primarily driven by financial and strategic considerations. The ultimate goal of the merger was to globalize their markets in the nuclear energy sector. While Westinghouse used to have a significant position in the US and European nuclear markets (Just before the 1990s economic downward spiral), Toshiba had a strong foothold in the Japanese nuclear industry. By uniting the two businesses, Toshiba was able to profit from Westinghouse's well-established clientele and technological capabilities, and Westinghouse was able to gain from Toshiba's robust financial resources and international reach. The two businesses could pool resources and staff, which was considered a method to lower their budget and boost their efficiency. As the combined firm would have better negotiating power and be well equipped to compete in the global market, this was also considered a strategy for an advantage in the competitive market.

It must be said that even though two companies can be successful on their own it doesn’t always result in success while they join each other and as we already explored the case of Toshiba and Westinghouse is a clear representation of that. While we look at this case we can clearly see that the main rationale coming from Toshiba’s side was strategic, because the main goal initially was to significantly expand the Japanese conglomerate’s customer base, but here arises the question: what about Westinghouse? well, to answer that question Westinghouse was a very successful company on its own but by the time of the 1990s, Westinghouse Electric Corporation had been experiencing a decline in terms of financial hardships as its market share in the US and Europe slowly crumbled down due to competition from lower-cost rivals in China and other nations. Toshiba purchased a majority stake in Westinghouse in 2006 with the intention of revitalizing the company. So, we can say that from the Westinghouse side the rationales that were added were the financial necessity rationale as well as poor management rationale so that the company would stay afloat by combining with Toshiba.

As we have already mentioned, a merger structure plays an important part. Starting with Toshiba, the company on its own has a complex organizational structure that is divided into multiple segments and divisions. One can think of Toshiba as a well-oiled machine, with each part playing an important role in keeping the company running smoothly. At the top of this machine is the Board of Directors, who serve as the brains behind the operation. They set the overall strategic direction for the company and oversee all its operations to ensure everything is working together seamlessly.

Just beneath the Board of Directors is the President and CEO, who acts as the engine powering the machine. They manage the day-to-day activities of the company, implementing the strategic direction set by the board, and ensuring that everything is running efficiently. The various business segments and divisions are like the different gears and cogs that make up the rest of the machine. Each segment is responsible for a specific area of Toshiba's business, with its own team of managers and employees.

Westinghouse Electric Corporation was a diversified publicly traded business that worked in a number of areas, including energy, media, and industrial, prior to being acquired by Toshiba. The supply and maintenance of electric power production machinery, including nuclear reactors, steam turbines, and generators, were the core business of Westinghouse. With ownership of CBS, KDKA radio, and numerous other radio and television stations, the business also had substantial interests in the media and entertainment sector. The company's industrial business was primarily responsible for manufacturing industrial machinery and systems, including gas turbines, motors, and industrial automation systems.

Finally, when Toshiba acquired Westinghouse Electric Company, they joined together in a complex structure that allowed Toshiba to control Westinghouse's operations. The deal involved Toshiba acquiring a majority stake in Westinghouse and combining it with its existing nuclear energy business. The structure also involved the creation of a separate company that was jointly owned by Toshiba and a group of Japanese power utilities, which would be responsible for buying nuclear reactors from the Toshiba-Westinghouse partnership. The joint structure was designed to enable both companies to leverage their strengths and maximize the potential of their combined resources. Toshiba's expertise in nuclear power generation and Westinghouse's advanced nuclear technology were seen as complementary, and the combination of the two companies was expected to create a powerful global player in the nuclear energy market. However, the joint structure faced significant challenges in the years following the merger. Westinghouse experienced significant cost overruns and delays on several key projects, leading to financial difficulties and ultimately bankruptcy. This had a significant impact on Toshiba's finances, forcing the company to write down billions of dollars in losses related to its investment in Westinghouse.

To conclude this part, while the joint structure between Toshiba and Westinghouse was intended to create a strong global player in the nuclear energy market, the challenges faced by Westinghouse following the merger ultimately led to significant difficulties and financial losses for both companies.

Drivers and Rationale for Merger

Moving on to the mission and vision of the companies, Toshiba's mission is to "contribute to a sustainable society by creating new value through innovative technologies," with a vision to become a "global company that delivers world-class solutions." Toshiba aims to achieve this by providing innovative products and services that meet the needs of customers around the world while promoting sustainability and corporate social responsibility.

Westinghouse, on the other hand, has a mission to be the "preeminent nuclear power company in the world" by providing safe, reliable, and efficient nuclear power solutions. Westinghouse's vision is to "shape the future of energy," by offering innovative and sustainable energy solutions that address the world's growing demand for energy.

Table Figure 2

TOSHIBA & Westinghouse	
Drivers	Rationales
• Access to Westinghouse financial assets • Access to broader consumer audience • Expansion of the production – expansion of target market	• Strategic Rationale – expansion of customer base • Financial Necessity Rationale – ability to stay afloat • Poor Management Rationale – resolution of problems

Toshiba and Westinghouse had some similarities in their missions and visions, as both companies were involved in the energy industry, particularly in nuclear energy. However, their approaches to achieving them were somewhat different. Toshiba had a broader focus on technology and innovation, whereas Westinghouse was more narrowly focused on nuclear technology. So, despite their shared focus on innovation and sustainability, they were unable to work out their differences. Following the purchase of Westinghouse, Toshiba's objective was to increase its market share in the global nuclear industry. The largest nuclear energy firm in the world, Westinghouse, was acquired as part of this strategy, giving the Toshiba Group access to more advanced nuclear engineering, fuel, and service capabilities. Toshiba and Westinghouse also focused on cost-cutting and restructuring in an attempt to turn around their failing companies. In order to do this, the businesses started selling off non-core assets, streamlining their operations, and improving their supply networks.

However, this strategy as we have already discussed has not been executed well by both sides, one of which was Toshiba’s management council turning a blind eye to Westinghouse due to its already having its own chaos. With Westinghouse, it was more of their company cultures clashing with one another and Westinghouse’s employees being pacifistic about Toshiba’s ideals. Also, owing to the restructuring, there have been significant issues with customer connections as well as some pushback from labor unions owing to asset sales and layoffs. Furthermore, the debt reduction has gone more slowly than anticipated, and Toshiba's profitability issues persist. Failing bankruptcy has caused Westinghouse to worsen its situation than it already has been dealing with.

The Process of Merger

Initially, the merger was a steady success in the first few years to some extent. Toshiba began its overseas nuclear push in earnest in 2006 when it acquired Westinghouse for 600 billion yen. The move came at the prodding of the then-President of the company, Atsutoshi Nishida, a charismatic leader with a tight grip who made a motto of “NO RISK, NO FUTURE” when his company was acquiring Westinghouse. The so-called "nuclear power renaissance" was at its peak, and it seemed like a steady beginning of the acquisition just before they hit a wall.

Despite their significance in the market, in 2017, Toshiba's proposed merger with a US-based nuclear energy company, Westinghouse Electric, failed. The merger was intended to expand Toshiba's nuclear business and increase its global presence. However, the deal turned out to be disastrous for Toshiba as Westinghouse filed for bankruptcy just a few months after the merger. The failure of the merger had significant consequences for Toshiba as they were forced to sell off its profitable chip-making division to raise funds and avoid bankruptcy. This move led to protests from shareholders who accused the company of mismanagement.

Lessons Learnt

Here are a few recommendations we would give to Toshiba before and after merging with Westinghouse and point out what they should have expected and prevented in advance:

The first arising recommendation and probably the most obvious one is the mismanagement by Toshiba’s management council. Despite both companies having a similar goal with this acquisition, both sides should have prepared their employees, staff members, and everyone from both companies to slowly but surely digested the cultures of the companies, the structure, and of course negotiated and introduced all employees themselves. It is also important to mention that their approaches to their common goal should have been compromised by both sides.

Another thing that Toshiba should have noticed sooner rather than later is the fact that Westinghouse already had its own issues following the ’90s economic downfall, in which Toshiba basically acquired Westinghouse’s “problems” onto itself. Toshiba’s management team should have not only been alerted and handled Westinghouse’s financial issues professionally but should have considered the consequences of joining forces with an already endangered/unstable company.

Lastly, we would recommend Toshiba be honest with their progress and updates, especially when they tried to cover up and destroy the files about the chaotic acquirement of Westinghouse in the meantime telling the world it has been executed well. This cover-up gave a lot of mistrust between the employees themselves and in the global market basically destroying their own reputation. If Toshiba has been more open about how it was a bad idea for this merger, it would have been more stable than it is now.

CONCLUSION:

In conclusion, the analysis of the mergers between HYBE and Ithaca, as well as Toshiba and Westinghouse, touches on the factors that contribute to successful merger outcomes. The ideas presented in this paper hold significant importance due to their implications for the field of mergers and acquisitions. By analyzing the HYBE and Ithaca merger and the TOSHIBA and Westinghouse merger, this study sheds light on the rationale, drivers, process, and outcomes of these transactions. The comprehensive analysis of each step taken towards success or failure provides valuable insights and guidance for future mergers.

The discussion of the process and timelines highlights the complexities and challenges faced during the integration process, emphasizing the need for meticulous planning, effective communication, and stakeholder management. By examining both successful and failed mergers, this study offers valuable lessons on the importance of thorough due diligence, cultural integration, and post-merger integration strategies.

The practical insights derived from this research contribute to the existing knowledge on mergers and acquisitions, enabling practitioners, executives, and researchers to make more informed decisions and improve the success rate of future mergers. By grasping the nuances of these complex transactions, organizations can avoid potential pitfalls and capitalize on opportunities, ultimately enhancing their competitive advantage and long-term sustainability.

The study's findings have broader implications for organizations considering mergers as a strategic growth option. It emphasizes the need for a clear strategic vision that aligns with market dynamics and the identification of synergies that can be realized through the merger. Furthermore, the study emphasizes the significance of careful planning and execution, ensuring effective communication with stakeholders, and managing the integration process to mitigate potential challenges and realize the anticipated benefits.

The study also underscores the importance of learning from both successful and failed merger attempts. By analyzing the reasons behind failed mergers and identifying the necessary steps for them to succeed, organizations can avoid common pitfalls and enhance their chances of a successful merger.

The mergers of HYBE and Ithaca, as well as TOSHIBA and Westinghouse, challenge conventional notions of mergers and offer new perspectives. These examples demonstrate that mergers can be driven by strategic considerations beyond financial gains, such as market expansion and access to new technologies. They also highlight the value of embracing cultural diversity and the need for adaptable approaches. By rethinking traditional views on mergers, organizations can unlock greater potential for value creation and sustainable growth.

Overall, the lessons learned from the HYBE and Ithaca merger, along with the suggested advice for Toshiba Westinghouse, emphasize the significance of strategic vision, due diligence, integration planning, cultural alignment, and talent integration in achieving a successful merger. By applying these insights, organizations can position themselves for a smoother integration process, improved operational efficiency, and enhanced value creation.

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