

Business Finance II – 515 - Summer 2016
Book Review Template

Participants' Names & ERP:

| ERP | NAME |
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| Case Study Title | Acquisition of Dawlance Pakistan by Arçelik A.Ş Turkey- A Case Study |
| Author(s) | Muhammad Zahid Malik |
| Publisher & Publishing Year | An Employee of Dawlance Pakistan & participant of EMBA, IBA, Karachi 31 July 2016 |

Author (s):

Mr. Muhammad Zahid Malik, participant of Executive MBA Program @ IBA is currently heading Plant Engineering function of Dawlance Group of Companies. He's a certified TPM Instructor from JTSI, Japan and Certified Six Sigma Green Belt professional from SQII, Singapore. He's a Business Excellence/Lean Engineering professional, having more than Eight years of experience in Engineering Management, Continuous Improvement, Production Planning and Project Management. His educational background includes a BE in major Industrial Engineering & Management and an ongoing EMBA from Institute of Business Administration (IBA), Karachi.

He was part of a team dealing in valuation of Dawlance plant assets and equipments.

Synopsis of the book:

The case study explains brief history, organizational structure, growth strategy, products and brand portfolios, manufacturing capacity, distribution and service network of both acquirer (Arçelik A.Ş Turkey) and acquiree (Dawlance Private Limited) followed by details about interests of potential buyers, reasons and causes of auction, Financials Proforma including financing of the deal and outcomes cum vantages for both the parties.

Key Learning:

During research and drafting of this case study we learnt that how a 36 years old business empire was brought on auction due to sequential apprehensions at corporate as well as at an individual level.

The major key Learnings are:

- *With a population of 185m, the acquisition offers Arçelik A.Ş Turkey exposure to the Pakistani white goods market that has strong growth potential.*
- *For many of us managing family business is a dream but for few go for their passion seeking.*
- *Pakistan has got huge business opportunities and market is vibrant enough to attract FDIs.*
- *Arçelik A.Ş Turkey made a significant investment in Pakistan in line with its global growth strategy and this investment will further strengthen Turkey-Pakistan economic ties.*
- *Arçelik A.Ş Turkey acquisition strategy can result into anti-dumping move resulting in goods manufacturing at cheaper labor cost in Pakistan and exporting it to the Euro-Asian market.*

Application:

- *Business life Cycle pertains at certain time whether business is of a small nature or of a large extent. It can be inferred that business strategy for expansion or contraction is significant with reference to Pakistani's business environment where majority of businesses are being merged and acquired by international concerns.*
- *Pakistan made white goods brands can seek place in international market through international linkages, ventures and collaborations.*
- *Pakistani market has got huge potential of growth through local and international investments resulting into high yields at lower possible costs.*

Grading Plan:

| Areas | Marks |
|--------------|-------|
| Author | 1 |
| Synopsis | 2 |
| Key learning | 5 |
| Application | 2 |