U3.12 - Print & Cut Flashcards

Cut along the card edges. Each card shows the question on top and the answer underneath.

CARD 1

What is a global strategic alliance?

An arrangement where two or more businesses cooperate to achieve strategic goals in international markets.

CARD 2

What is the difference between rationale and benefits?

Rationale is why a business chooses the alliance. Benefits are the positive outcomes the business may gain from it.

CARD 3

What are the five global strategic alliances in this dotpoint?

Outsourcing, acquisition, mergers, joint ventures and franchising.

CARD 4

What is outsourcing, its rationale and its major benefits?

Outsourcing is contracting another business to perform a function or service. Rationale: focus on core activities and use specialists. Benefits include lower costs, specialist expertise, flexibility, efficiency and global coverage.

CARD 5

What are the major limitations of outsourcing?

Loss of control over quality or service, reputation risk, confidentiality risk and dependence on the external provider.

CARD 6

What is an acquisition, its rationale and its major benefits?

An acquisition is when one business purchases another and gains control. Rationale: enter markets quickly or gain customers, assets, technology or distribution. Benefits include faster entry, existing customers, economies of scale and greater control.

CARD 7

What are the major limitations of acquisitions?

High purchase cost, integration problems, risk of overpaying, and possible reputation or culture clashes after the takeover.

CARD 8

What is a merger, its rationale and its major benefits?

A merger combines two or more businesses into one larger business. Rationale: increase size, resources and competitiveness. Benefits include a larger customer base, economies of scale, shared expertise, market power and reduced duplication.

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CARD 9

What are the three main types of mergers?

Horizontal: same industry and stage. Vertical: different stages of the same supply chain. Conglomerate: businesses in unrelated industries.

CARD 10

What are the major limitations of mergers?

Culture clashes, job losses, costly and complex integration, and possible competition-regulator concerns.

CARD 11

What is a joint venture, its rationale and its major benefits?

A joint venture is when businesses work together on a specific project or activity while remaining separate. Rationale: share risk and gain local knowledge, technology or resources. Benefits include shared costs, faster entry, combined expertise and local market access.

CARD 12

What are the major limitations of joint ventures?

Shared control can slow decisions, partners may conflict, contributions may be unequal, and confidential knowledge or technology may need to be shared.

CARD 13

What is franchising, its rationale and its major benefits?

Franchising allows a franchisee to use the franchisor's brand, systems and business model for fees or royalties. Rationale: expand quickly using franchisee capital and local knowledge. Benefits include lower capital needs, faster growth, royalties and stronger market presence.

CARD 14

What are the major limitations of franchising?

Quality-control risk, less direct control over outlets, legal and cultural differences between markets, and possible conflict with franchisees.