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INTUIT ACQUISITION OF CREDIT KARMA

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Intuit company, a turbo tax and QuickBooks manufacturer, acquired credit Karma Company, which deals with consumer technology, a large corporation with 110 million members located in Canada, the United States of America, and the United Kingdom. The acquisition is efficient in that intuit will create a platform for the consumers, which will help them make ideal decisions that are beneficial in controlling their financial standards. The acquisition took place in February 2020. Intuit made an acquisition which marked the most significant acquisition the company has done. In the company's transactions, intuit considered 3.4 billion dollars in cash and 13.3 million shares that were stock shares of intuiting. The acquisition also involved equity awards that amounted to 4.7 billion dollars. In the consideration, they also made 300 million dollars cash. In addition, Intuit made a grant of approximately worth 300 million dollars of the restricted stocks directed to credit karma employees. Some of the individuals who were involved in these were, intuit legal advisor and the financial advisor (Wiles, 2019).

In the acquisition process, intuit considered having a combination of trusted brands that would help their customers during the challenging times when the global pandemic has adversely affected the financial need of the population who are faced with problems in acquiring their needs. In the rationale of acquiring to help the population on solving financial problems intuit company made a comprehensive research on the American population where 75 per cent of the Americans were faced with challenges of paying their bills and loans that they had acquired. Thirty-three per cent of the population have also been by problems due to loss of income due to the pandemic, which caused the household debt to increase to 14.3 trillion. From the challenges that faced the population at large, this resulted in intuiting efforts to ensure personal financial assistance to the consumers to improve their lives by availing financial products that increase savings, pay back the debt, and ensure easy access to funds.

Combination of the companies after an acquisition has an impact on the operations of the company where there are massive capabilities and accelerated innovation, where the consumers from both Intuit and credit karma members which have resulted in more benefits to the consumers who have benefited mainly from financial products which include unparalleled offers of loans and insurances.

Through the acquisition, some changes will lead to the reformation of tax refunds, which has helped make connections that have led to high yield savings accounts. The companies that increased easy access to their money by initiating the checking savings accounts. The companies have increased their services to the consumers that will provide financial expertise and advice to help the consumers understand comprehensively about their financial status that will help them make ideal financial decisions that will help them build wealth.

Despite the efforts made by the companies in pursuit of better customer services, there is also a risk that is involved that could lead to the failure of the intuit acquisition. The ability of the company to compete successfully against other institutions that offer similar products. Some of the risk associated with acquisition which includes the issuance of equity to fund the acquisition. The customers' concerns about privacy regarding fraudulent activities that may result from a third party's presence. The company also faced risk in attracting and retaining employees after the acquisition took place. The ability of the company to adapt to new technology and predict consumer behaviour that could be beneficial in availing the products that could be ideal for the company to make sales after the acquisition. The acquisition was also faced by challenges of tax laws imposed by the federal to regulate the organization's income (Lanteri, et al 2021).

Some of the approaches that intuit company used during the acquisition that were crucial in practice are a combination of the trusted brands that could earn more income to the

organization by ensuring there is financial safety to the citizens during the pandemic; through this, they were able to bring solutions to some of the most financially cornered citizens. The company also formed a personal financial assistant to help citizens have financial success where they went more by providing financial experts who are recruited to intuit family, and this was to add skills to the labor force that yielded more benefits to the acquisition. For the excellence of the acquisition, the company could invest more in technology to ensure its relevance to the dynamic environment. The company should ensure more incentive to recruit and retain skilled employees in the company. The company should make intensive research in consumer behaviour to ensure that the company match demand of the consumers.

Reference

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FINAL GRADE

GENERAL COMMENTS

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