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by Academic Academic

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Blue Apron

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Before going to the public, any company should have analyzed the stock options to ensure that in any case of additional changes. This is because IPO may put a big burden, which may cause difficulties in generation of the company revenue and satisfaction of the customers through stabilized costs. In my opinion, the company was not ready for the IPO. This is because the Blue Apron's financial advisors had to suggest a rise in the offering price from \$15 to \$17. They further met the investors from all over the country about the financial crisis. These kinds of advice only happen when financial advisors discover problems which cannot be solved quickly like in our case, (Crabb, 2017).

Despite the financial challenges, blue Apron can still take two critical ways to help it maintain its growth. These methods are capital debt and equity capital. The common forms of debt are bank loans, bonds, credit card debts, and personal loans. When looking up to maintain the growth of a company, additional capital is usually needed and can be easily obtained from loans. On the other hand, equity capital is obtained by selling shares of stock. Blue Apron can generate capital to meet its financial crisis by selling its additional shares. There are, however, risks associated with private funding and going funding. For instance, the debt must be repaid at a future date and an interest cost, unlike equity. The more the debt-equity ratio increases, the more the company is at risk of losing their investors and lenders, (Planting, 2016).

The current financial situation of the blue apron is fair after making a strategy to chase after 2019 profitability. The company has made strategies for the entire fiscal year, and it has fared well in the first half of the year. I would not invest with the company at this struggling stage. The company is still struggling to reach new customers and maintain old ones. Once the company stabilizes, I would then invest with them.

Reference

Planting, S. (2016). Tech stocks: Flying too high?. *Personal Finance Newsletter*, 2016(424), 13-14.

Crabb, J. (2017). Blue Apron's no-vote shares IPO concerns investors. *International Financial Law Review*.

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