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Seeing Things Clearly

Proposal Summary. As we suspected, aquarium operations in both production and marketing have a determinant effect on how well our marine and freshwater fish operations perform. A comparative study of the two financial histories shows that our revenues followed the same fiscal pattern as that of Clearly Aquariums: when aquarium sales are up, we prosper. But this symbiotic relationship also has a downside. Currently, there is little activity among aquarium manufacturers to stimulate their weak market—output is at a standstill.

These indicators lead us to believe that if aquarium sales continue to soften, our profits will begin to recede symptomatically. One way of breaking from the aquarium industry's downward spiral and increasing our potential for growth is to adopt a more aggressive posture in aquarium manufacturing.

This proposal suggests that we purchase the aquarium industry leader, Clearly Aquariums, to fortify our company and our sales for the future. Because our sales depend on aquarium output, acquiring Clearly would allow us to improve productivity, oversee marketing, and give us tighter control over our fish sales. Agreed, acquiring another business in these volatile times is risky, but the returns for us on an aquarium venture will essentially be guaranteed; everyone who buys our fish will have to have somewhere to put them, and everyone who buys an aquarium will want to fill it with fish.

If we act now, we'll have the advantage of building a promotional campaign around a virtually indestructible material called Sheelun. (Clearly was about to introduce Sheelun into their aquarium development; instead, they decided to liquidate.) With Sheelun as a selling point, we can expect an immediate, albeit modest, increase in sales. And, as aquarium sales begin to rise, so will our fish sales in turn. Sheelun will also give us an edge over the competitors and help us, if we purchase Clearly, maintain the 40% share of the aquarium market which is 15% more than any other company.