

Snap Inc. 's IPO (A)



Introduction

Snapchat's parent company Snap Inc. went through IPO in March 2017 and became one of the very popular companies to discuss about at that time. This case focuses on the key choices and risks of Snap as it transformed from a venture.maven to a social media platform with listed stocks.



Overview of Snap Inc.

Established by Evan Spiegel, Bobby Murphy, and Reggie Brown in the year 2011, has stormed the social media platform with its ability of temporary messages and multimedia sharing. The business successfully acquired a sizeable number of users especially the youths, and unfortunately the competition was stiff with players like Facebook, Instagram.



The IPO Decision

The need for funds to support the continued expansion of the Company and improve its standing in the marketplace forcing the adoption of the Snap public offering. Guided by the IPO, the company expected to earn about \$3 billion to be used, among other things, on product development and marketing, and to expand to other countries.



Conclusion

The Snap Inc. IPO (A) case vividly captures the challenges of going from a start-up company to a public limited company. It also has potential for reflective strategic questioning on the rules of valuation, demanded and attainable investor returns, and long-term viability of new economy business models in a maturing competitive environment.



Resource

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