

Assignment

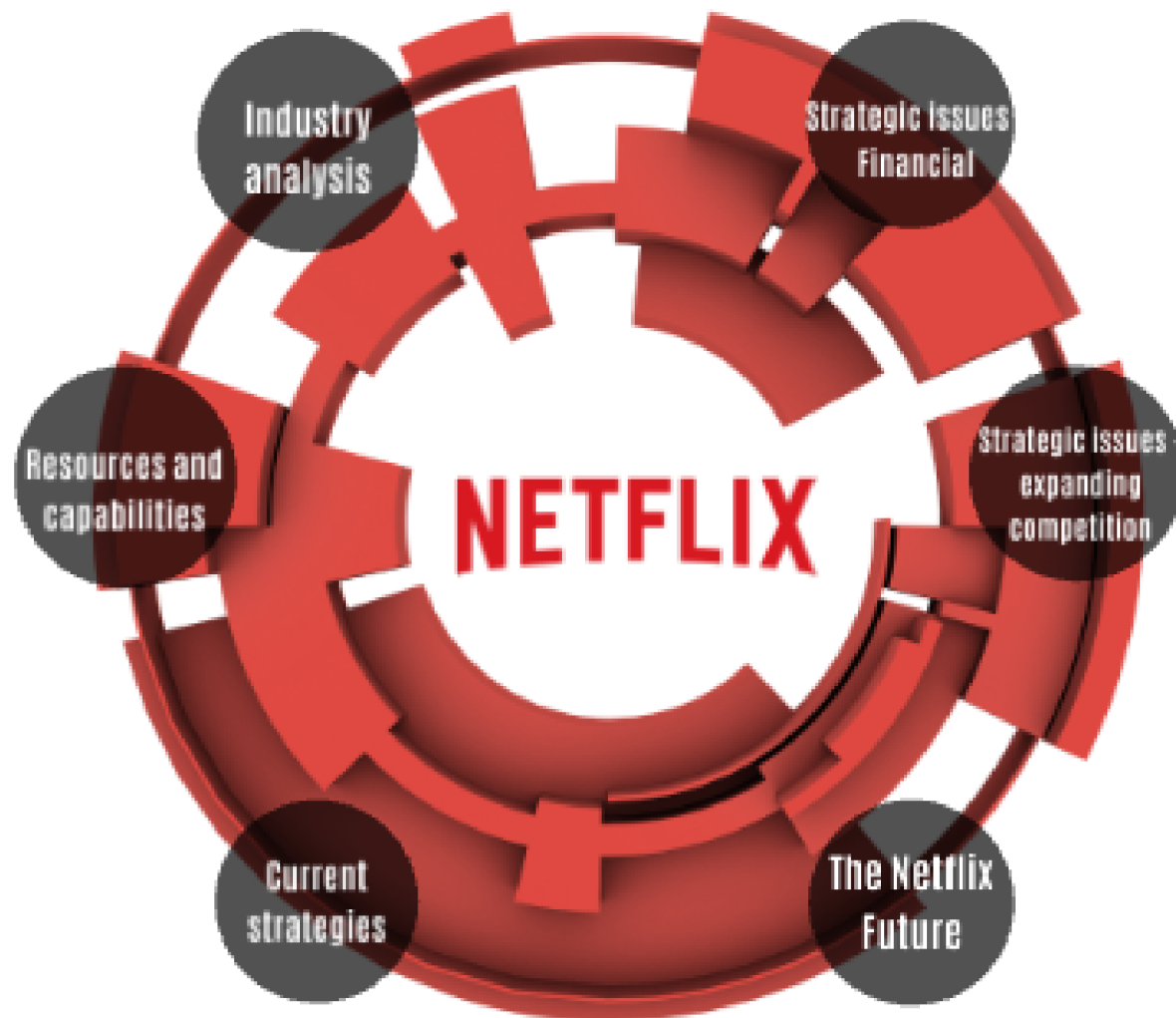
Netflix Bonds

Introduction

The world of finance has evolved greatly and students of finance get a most interesting strategy in financing through a study of the Netflix Bonds case. Presented on thecasesolutions. Com, in this regarded this case focuses on Netflix to issue bonds as a form of capital procurement and helps to illustrate the consequences associated with such a maneuver.



Financing Strategy of Netflix background




Netflix with its current operation as a mainstream streaming service has been in search of new methods of financing for its large library and global expansion. Another considerable strategy was to engage in bond sales, with the firm having a duty to secure a large amount of capital without having to compromise shareholders' equity. The case considers the logic of this strategy focusing on the issues like the necessity of having rather large amounts of funds for Netflix to be able to reassert itself in the dynamically changing context.



Implications and Outcomes

The following are some of the effects that the Netflix firm realized from the issuance of bonds: On the one hand, it was to finance the content creation and the company's expansion to the global level, which was vital for the company to maintain the competitive advantage in the context of the streaming services market. On one hand, it enlarges the company's debt level and confronts the risks concerning with the interest expense and the financial stability on a longer term. The case solution on thecasesolutions of this corporation would also provide insights to enable shareholders and stakeholders to more fully understand this business. com explores these outcomes underlining some of the trade-offs and the strategy that may define that particular firm.



Conclusion

In the entertainment industry, Strategic Financial Management can be well explained by the Netflix Bonds case. Thus, the use of Netflix case in analyzing a bond issuance decision challenges the audiences to think through the multilevel managerial strategy involved in the decision to raise capital through debt. With respect to its utility to students and practicing managers concerned with the subject of corporate finance, this case offers several teachable moments, centering on the trade-off between risk and return. Visit thecasesolutions.com where I decided to focus on this case and identify some more elaborate strategies of Netflix's financial management.





Resource



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Resource: Visit thecasesolutions.com for detailed analysis and more case studies