This application is only open to Freshman and first semester Sophomores. In order for your application to be accepted and processed, please email the completed document in PDF-format along with a PDF-formatted resume to [prime.illinois@gmail.com](mailto:prime.illinois@gmail.com). Application deadlines and other information can be found online at <https://giesgroups.illinois.edu/prime/home/>.



***This application is due at 8:00AM Thursday, September 29th.***

**Name:**

**GPA (H.S. if college not applicable):**

**Graduation Date:**

**Major(s)/Minor(s):**

**Short-Answer Questions:**

*Please answer the following questions in a few sentences.*

1. **Why do you want to participate in the Prime Mergers & Acquisitions program? What do you hope to gain through your participation?**
2. **What is investment banking, and why do businesses hire investment bankers? Please answer “what is investment banking” at a high level.**
3. **How does investment banking add value to the economy (again, at a high level)?**
4. **What are mergers & acquisitions? When and for what reasons do they occur?**
5. **Which other on-campus extracurricular activities, organizations, and professional endeavors are you a part of (if any)?**
6. **Do you understand that Prime is a semester-long program that will require a time commitment of 4-6 hours per week including a mandatory classroom session once a week?**
7. **Can you attend class sessions from 5:30 PM to 7:00 PM on Mondays?**
8. **How did you hear about Prime?**
9. **Please list one person that you would like to be in a group with (if any):**

**Case Question:**

*Please use the information provided to answer the following question to the best of your ability. Conciseness and clarity are valued over embellishment. Space is provided following the case to write your answer.*

After an excellent 2020 fiscal year for you and your firm (a corporate advisory firm), your phone rings with a call from the CEO of Whirledge Kitchen Appliances, Maddy Whirledge.

“Whirledge Kitchen Appliances is pursuing the toaster market this year, and we want your advice on whether we should acquire Lammers Toasters or Kennelly Electronic Manufacturing.”

What is your response to Ms. Whirledge, and for what reason(s)? Your firm has put together the attached profiles on the buyerco and the targetcos to assist with the task. Please explicitly state any assumptions in your work, and outline your thought process clearly; your work must be presentable and defensible to the client.

**Assume that both Lammers Toasters and Kennelly Electronic Manufacturing can be purchased for the same price.**

**Whirledge Kitchen Appliances Profile (Buyerco)**

Whirledge Kitchen Appliances (NYSE: WKA) is an American kitchen appliance manufacturer conglomerate based in Wheaton, Illinois. The company has a reputation for making middle-of-the-line quality appliances including: stoves, dishwashers, ovens, microwaves, refrigerators, and garbage disposal units under the brand names of Kitchen Kind and Whirledge Elite. While the Kitchen Kind brand carries all of the above appliances, Whirledge Elite carries higher quality versions of microwaves and stovetop ovens only. Each product line under each brand is run independently. WKA brands consistently attempts to provide the best “bang for your buck” when shopping for appliances, providing affordable but dependable products.

WKA’s sales are primarily in the United States, with less than 5% of all sales from international sources (split amongst Canada, Mexico, and Romania). All WKA products have 3 primary markets they sell to. The first is big box retailers, like Lowes, Walmart, Target, Sears, Menards, Home Depot, and Best Buy, which make up a large portion of WKA’s revenue. The next is online direct to consumer sales, where WKA products have cost markups to match prices at big box stores. Online direct to consumer sales are anemic, largely due to WKA’s poor online sales platform. Finally, WKA sells a large quantity of appliances to construction companies and real estate developers who purchase upwards of 400 units of a single appliance at a time. Often, these buyers are given lower prices for purchasing in bulk. Even more so than big box retailer sales, this type of bulk selling often fluctuates with how much construction is going on in the US. For all sales types, a WKA team is in charge of marketing and advertising the products independently.

WKA’s manufacturing is primarily performed in the United States, with three separate plants. These three plants are: the Wheaton, IL plant (which manufactures both brands of stoves, ovens, stove-top ovens, microwaves, and refrigerators), the Jackson, MS plant (which manufactures garbage disposal and dishwasher units), and the Birmingham, AL plant (which manufactures parts that go into all machines and that are sold in the aftermarket for repairs). WKA is also considering opening a new international plant to support manufacturing with significantly lower labor costs and to serve as a base to expand into international markets more efficiently.

**Lammers Toasters Profile (Targetco #1)**

Lammers Toasters (Nasdaq: TST) is an American toaster manufacturer based in East New Brunswick, New Jersey. TST’s claim to fame is the one product they make: toasters. The company runs 5 different toasters lines, each with an incrementally higher price and quality. The Lammers 4040 is the most widespread in the US, with the Lammers 5005 becoming increasingly popular amongst affluent buyers due to its wide range of capabilities and use by celebrity chefs.

Lammers owes its success to two key factors. First, Lammers as a company is excellent at identifying target markets to sell to and then building a high-quality toaster line specifically for that market’s ideal price point. The Lammers 5005 targets the wealthy in the developed world, the Lammers 4040 is meant for most middle-income households, and the Lammers 3000 is built as the economical version of the 4040. The Lammers 2021 is a commercial toaster line specifically designed for professional chefs and eatery establishments, able to produce quickly produce large amounts of toast for large kitchens. Lastly, the Lammers 161 line is the original Lammers toaster: cheap and versatile, and steadily more popular in the developing world. Each toaster has a strategic place in Lammers’ business, and each line is improved upon when reasonable. Most industry analysts expect the Lammers 5006 to be released this summer, leading to strong third quarter sales. The second key is Lammers’ ability to market and advertise its product incredibly well to the identified target market after launch, using celebrity chef endorsements for certain lines, local marketing teams for others, and brand recognition and prestige in all of them. The company’s motto is “Lammers: Toast with the World,” reflecting its refined, international stature.

Lammers’ revenue is diversified globally, with primary markets including the US, the UK, Canada, Mexico, Spain, Brazil, France, Germany, China, and Turkey, each with less than 15% of total 2015 revenue. Secondary markets include many countries in Asia, the Americas, and Europe together make a third of Lammers’ sales. Regardless of where they end up, Lammers produces all of its Toasters in East Brunswick, NJ, with its plant and research facility being state of the art. In addition to this, Lammers has built a robust logistical network that allows it to quickly and efficiently ship its products around the world. The company makes an equal amount of revenue from sales to retailers and its award winning online sales platform, which operates in multiple languages. Lammers’ revenue has increased steadily by 5% YoY in the past 3 years, and is expected to remain on the rise due to more efficient logistics and more global outreach.

**Kennelly Electronics Manufacturing Profile (Targetco #2)**

Kennelly Electronics Manufacturing (NSE: KEM) is an Indian kitchen electronic manufacturer and retailer headquartered in Islampur, India. KEM is India’s largest electronic appliance manufacturer, fabricating mini-ovens, microwaves, steamers, and (most popularly) toasters. Most analysts agree that KEM’s excellent domestic image and low price point are what have kept Lammers out of the large Indian market. KEM is known for selling one specific model of toaster, which is sold at an extremely low price point in most instances. The quality of KEM toasters is significantly lower than Lammers Toasters and would likely be lower than the comparative quality of WKA appliances as well. For this reason, the low price point is key and KEM has always driven its rapid profit growth by increasing sales volume rather than putting money into research and development. KEM’s other product lines follow a similar model of low quality and profits per unit but high volume in catering to the Indian population.

KEM manufactures entirely in India, with one plant in Islampur and another on the outskirts of Mumbai. Cheap local wages keep costs down and KEM plants are designed to support their high-volume manufacturing process, with plant equipment updated and maintained consistently. KEM’s sales in India account for 80% of its total revenue. The Indian market for electronic appliances, while still growing, has experienced slower growth in recent quarters. However, KEM CEO Josh Kennelly has begun forging new market entries in nearby Thailand, China, and Indonesia for KEM products with profound success. The company is currently struggling with maintaining a consistent shipping network to move its products into these new countries. Despite this, most analysts agree that Mr. Kennelly is a rising star in India’s pool of high-profile business executives and the company has seen robust growth under his strategic leadership.

In addition to manufacturing toasters and accompanying products, KEM also operates retail electronic stores where it sells its own products and parts along with providing repair, insurance, and financing services for all their products. The company provides full lines of service for all of their goods and has consistently been involved in the communities it serves through charity and volunteerism, another plan implemented by Mr. Kennelly. Thus, along with a great amount of success with traditional marketing, KEM is a popularly recognized brand name in India.

KEM has been growing rapidly in terms of gross revenue, and has grown by 25% and 30% in 2019 and 2020, respectively. It hopes to continue this accelerating growth by gaining access to new markets.

*Enter your answer here. Feel free to use as much space as necessary, the input field does not have a limit.*