

RFHHA MANAGEMENT TIP OF THE DAY FOR HOSPITAL ADMINISTRATORS 1321

Learn the FM: What is a Goodbye Kiss in finance management?

A **Goodbye Kiss** is an anti-takeover tactic **by which the target hospital attempts to prevent a hostile takeover by purchasing back the bidder's stock in the target.**

This share buyback is often at a substantial premium and creates a substantial profit for the bidding firm. In return, the bidder agrees to terminate the takeover attempt.

This tactic is similar to Greenmail: a strategy of taking over an undervalued company, dismembering it, and selling off its valuable pieces for a profit. Once having secured a large share of the target company, instead of completing the hostile takeover the greenmailer offers instead to end the threat to the victim company by selling his share back to it. At an inflated price.

Dr Madhav M Singh

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