MERGER AND ACQUISITION - SUCCESS, FAILURE AND LEARNING FROM THE COMPLEXITIES OF MERGER AND ACQUISITION

YASIR BIN HASAN

ASSISTANT PROFESSOR
SCHOOL OF MANAGEMENT, BBD UNIVERSITY, LUCKNOW.

ABSTRACT

Mergers and acquisitions (M&A) have played a pivotal role in corporate restructuring of business world for decades. They are an indication of the growing economy in today’s dynamic economic environment. The major objective behind M&A is to increase the shareholder value and to develop a competitive advantage. There are various drivers why companies adopt M&A strategy like staff reduction of company from various departments like accounts, marketing, production etc leading to cost saving. Beside this it also has a positive effect on sale economies due to improved purchasing powers for buying office items/equipments since a bigger company has a greater ability to negotiate prices with their suppliers thus saving more on costs. However, merger and acquisitions deals outcome are not certain in nature. The merger literature suggests that at the beginning of the merger which is the pre-merger planning and the post-merger integration are crucial in understanding the outcome of M&A deal. The most important issues related to the process of failures and success of a merger are the motives, objectives and also the strategies which Indeed, the data show that the failures of the merger processes are principally related to the lack of integration problems merger adequacy and the projecting synergies


References

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