

ADVANCES IN MERGERS AND ACQUISITIONS

Edited by Cary L. Cooper
and Sydney Finkelstein

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VOLUME 20

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Finkelstein

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INTRODUCTION

Cary L. Cooper and Sydney Finkelstein

This is the 20th Anniversary of our annual *Advances in Mergers and Acquisitions* series. And it is surprising to us the amount of new, innovative and insightful research and practice that has taken place in this last year, particularly during the pandemic and post-Covid era. But with the constellation of worldwide events of a pandemic, the global recession and world political events (e.g., Brexit, US elections, new regional trade alliances, etc.), many organizations are seeing real opportunities in merging, acquiring and partnering with others to get the added value during these difficult and challenging times.

We have eight outstanding chapters, from scholars and practitioners in a variety of countries exploring issues relevant to a post-Covid world and the ensuing recession. In the first chapter, by Andrew Sherman and Paul Pryzant, the authors highlight an M&A guidebook for a post-pandemic world, that is, creative in its ways to bridge the gaps between buyers and sellers post-Covid. The unpredictability of the global economy makes it more risky to consider acquisitions, very difficult to predict future earnings and, therefore, to put valuations on businesses. The authors explore why buyers and sellers want or don't want to do a deal in this environment, and all the issues associated with the post-Covid business world.

Chapter 2, by Konstantinos Bozos, Vassiliki Bamiatzis and Tamer Cavusgil, explores the role of organizational slack and acquisition experience in mitigating cross-border acquisition uncertainties. Given that cross-border acquisitions exceeded \$1.2 trillion in 2019, exploring the “black box” of cross-border acquisition success is very important and critical during the recession and beyond. Chapter 3 follows on highlighting the importance of ensuring acquisition completion after announcement, to ensure it is well managed. As the authors, David R. King, Wei Shi and Brian L. Connelly, suggest, it is vital that managers react to counter signals by shareholders, media, analysts and short sellers in terms of acquisition completion, that is, that external governance actors are instrumental for any successful merger or acquisition.

Fadi Alkaraan, the author of Chapter 4, highlights how Covid and the recession have made M&A investment decision-making a priority and toward an Industry 4.0 strategy. This means integrating all the technologies, supply chains and production processes – he highlights what this means for M&As in the future, and what research needs to be done. Mats Persson and Magnus Frostenson take this a bit further exploring the cultures of merging organizations, metaphorically as a “marriage.” They highlight three aspects of this metaphor: sequence of events, number of partners and power relations in this marriage. This will help to understand whether this relationship will work in the long run, and how it will function and develop.

Carlo Mari and Olimpia Meglio provide a very novel chapter in focusing in on “how customers experience an acquisition and whether merging firms perceive their customers as assets to trade or as stakeholder to engage.” They review the existing research into the customer-based experience of M&As, suggesting four research avenues for future studies. Moving from customers perspectives on M&As to employees, Benjamin Kempton and Riikka Sarala do a systematic and state-of-the-art literature review of the studies. Their primary aim is to understand the role of the employee in M&As. They examine five distinct research streams: employee reactions, culture, communications, knowledge and speed, highlighting the existing research foci and where research should go in the future.

And the final chapter in the book, by Emanuel Gomes, Sunbir Alam and Qile He, advocates the importance of the field of M&As from learning on the success and failures in strategic alliances. With such high failure rates in M&As, and the similarity in many regards between the issues experienced in strategic alliances, there is a need for each of these fields to learn from the other – research from both is highlighted to begin this process.

We would like to thank our contributors for their interesting and important contributions, and hope this will enable practitioners and researchers in their quest for enhancing the benefits of mergers and acquisitions and minimizing the downsides in the future.