

Appendix B: Pilot Study - Questions given to participant C only

Private and Confidential

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Title of Research: Alignment of M&A strategic intent in M&A integrations.

Interview Schedule:

Company Name: _____

Interviewee: _____

Position in organisation: _____

Date of interview: _____

Important information:

- Firstly I would like to record this conversation, and then create a written transcript, which I will email to you for verification and comment. If something in the text requires clarification or if you are not comfortable with the way something was stated let me know and I can edit the transcript.
- Secondly I want to assure you I will keep your comments as confidential as you require. I may use your comments either with colleagues or in print with your permission. However your name or the organisations name or other descriptive information that would identify the source will be anonymised in the thesis or any other print media. I will identify you only with your professional title (e.g. VP Finance, organisation A)
- The interview will last approximately one hour.

(Badhe, 2003)

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Introduction:

Extensive research has shown that merger and acquisition (M&A) activity is on the increase (Barkema & Schijven, 2008) in both volume and monetary terms (Cartwright & Schoenberg, 2006) as acquisitions offer an alternative growth strategy for organisations to achieve long term success as they are seen to offer great value and possibly provide results three to five times quicker (Kitching, 1967) than organic means. But this alternative growth strategy is not without its faults as M&As have proven to be very risky and suffer from high failure rates (Cartwright & Schoenberg, 2006), with a conservative estimate putting M&A failures at 50% (Kitching, 1974) and divestments of acquisitions at 33 to 40% (Kitching, (1967); Shrivastava, (1986)). In addition failure rates have not changed over the last 30 years (Homburgs & Bucerius's, 2006). Hence getting them wrong could prove very costly (Lynch & Lind, 2002) to the organisation.

In addition research shows that integration failure accounts for a third of all failures, as the M&A process can prove to be very complex (Jemison & Sitkin, 1986 a,b) with management prone to changing their mind during this integration as they had no framework to guide them (Howell, 1970). Clearly, M&A integration management has potential benefits as the literature shows that if it can be pulled off then there stands a good chance that the acquisition can be a success (Haspeslagh & Jemison, 1991) as there is an 80% correlation between successful integration and overall success of the acquisition (Hunt, (1990); Shrivastava, (1986)). Also, within the literature there is a noted absence of M&A integration process models to assist in integration planning and development. Hence the research aim is as below:

Research Aim

Therefore would the development of a complete acquisition integration process model not help to reduce this high incidence of failure by providing a more focused and structured approach to the acquisition integration management process?

Pilot study 3: Participant C: Research Questions:

1. What was the acquisitions strategy (motivation for the acquisition)?
2. In relation to this recent acquisition, could you describe the pre-acquisition due diligence process?
3. What do you consider to be the most important criteria for assessing acquisitions?
4. How does your company assess the alignment of the target's strategy with your organisation's strategy?
5. Do you consider alignment of the Acquisition strategy to be worthwhile?
6. When does your organisation start planning for post-acquisition integration?
7. How does your company assess the alignment of the target's culture with your organisation's culture?
8. What are your company's main criteria for measuring acquisition integration?
 - Pre-acquisition & post-acquisition?
9. How do you approach integrating the target company into the parent organisation?
10. What do you consider to be the most important factor in integrating the acquired company into the parent organisation?
11. Do you use any of the pre-acquisition information to develop an integration strategy?
 - Pre-acquisition or post-acquisition?
12. What are your company's criteria for judging acquisition success?
13. If you were to carry out an acquisition again, what would you do differently in the integration process?

There are no right or wrong answers to any of the questions. I am interested only in what you think and do in your acquisitions. All participants' responses will be treated confidentially, names will be veiled for secrecy and the thesis will have limited access (typically 5 years) and will be used strictly for research purposes only.

Thank you for your help in this process.

Regards,

Nicholas Ingle