

Informative essay on finance

Finance



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FINANCE2 ASSINGMENT 2011-2012 Nikesh Hindocha (10044607) Part A.

Introduction As part of my assignment, I have been asked to discuss the following statement “ Mergers and acquisitions can be value destroyers or value creators”. A merger can be defined as when two equal businesses in terms of profit margin and status, combine in order to become one legal entity. Initially, the fundamental reason for this merge is to produce a company that is worth more than the sum of its parts. An acquisition is where one company acquires a controlling interest in another company.

The combination of these unequal companies can produce the same or even more benefits as a merger would. In different cases, these mergers and acquisitions are either considered as the creator of value or the destroyer of value or even possibly both. A company that is considered as a value creator is carrying out their primary value-adding activities in the right manner. In contrast, a company that is seen as a value destroyer does the complete opposite meaning that the company is less appealing to employees, customers and potential investors.

Value Creation Mergers and acquisitions are formed in the hope that they will create value and there is a vast amount of reasoning on why they have been introduced. Businesses will try and create value for the company, shareholders, customers and employees. The present value of all performance enhancements attributable to management change would result in the increase in value from just by managing the assets more efficiently (Damodaran, 2005).

Horizontal and Vertical Integration of Mergers and Acquisitions Mergers that are of a large scale may have been introduced in order to occupy a large share of the market, whereas acquisitions may have been formed in order to eliminate the competition. The mobile phone group of the recent merge between t mobile UK and orange UK could be potentially the biggest value creating company of all time. Their aim is to take advantage of the fact that their products are related so that they can build off each other and therefore create profit and value for the customer (synergy) i. e. customers will be able to use either network of t mobile and orange. Tom Alexander, CEO of Everything Everywhere – the company that runs Orange and T-Mobile – said: ‘ This is the beginning of an ambitious plan to give our customers instant access to whatever they want, wherever they are – instant access to everything everywhere. This form of merging is regarded as horizontal integration, where growth is achieved through mergers and acquisitions offering similar products and services.

However, the size of the mergers determines the effect it imposes on the market. In the case of the merge between Morrisons and Safeway, the market as a whole was affected, whereas two companies of a smaller size wouldn't have as big of an impact. Another form of merging is called vertical integration. Vertical integration acquires businesses in the same industry but at different stages of the supply chain. The benefit of vertical integration involves the ability to secure supplies and future orders.

An example of vertical integration is the acquisition of Amstrad from BSkyB, which in turn led to a reduction in costs of its supply chain. Sir Alan Sugar said- " I cannot imagine a better home for the Amstrad business and its
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talented people. Our companies share the entrepreneurial spirit of bringing innovation to the largest number of customers". This implies that the merger is creating value towards the employees, because employees who have an in depth understanding of the business can interact their knowledge with their colleagues.

The merge will also add value towards customers due to the business providing improved efficiency and the introduction of innovation. Value creation of Shareholders Managers need to exercise various strategic approaches in order to create shareholder value or to increase it. The prices at which goods and services can be sold, the risks inherent in the business and the level of required investments are used to measure shareholders wealth. " Building profitable businesses creates value.

The board of directors and management's primary responsibility is to increase company value and shareholder wealth. Shareholders invest in businesses seeking a significant return on their investment. They expect the reward to be appropriate for the business and financial risks of an unsure future. "

Article: The Key to Creating Shareholder Value Knowledge Begins with Simple " Cigar Box" Accounting") [2.]. The strategies and approaches employed by the company will help determine if the business has created value for the shareholder.

In the case of Cadbury Schweppes, where the significant aim was to increase shareholder value, their primary aim is to focus on growth markets, improving brands and innovation in order to gain their objectives. (Source- annual report, 2000 Cadbury Schweppes) Value Destroyers Even though the

fundamental objective for mergers and acquisitions is to create value, there may be factors involved that cause the value to be destroyed. It is believed that the prime component of why acquisitions fail is due to the fact that they paid too much to control it, which in turn leaves them with huge debts.

The buyer may find that the premium they paid for the acquired company's shares (the so-called "winner's curse") wipes out any gains made from the acquisition (Henry 2002). The differences in corporate culture play a substantial role in the M; A destroying value because each company may heavily depend on how they individually strategically run their businesses. Employees from one company may not feel to contribute or share their ideas with the employees with the other merged company therefore causing disruption and eventual failure of the M; A (merger and acquisition) (Appelbaum et al 2000).

This could be reflected in the case of Kraft taking over Cadbury's, as the employees and customers of Cadbury's felt that their own ownership history of their products and corporate background of brands is exceedingly important to them. When a firm is taking over another firm, there may be dispute amongst the leadership of the M; A. This could lead to destruction between both sides as they both are bemused of their roles in the business.

This may prove a problem in the case of Carlton and Granada: Carlton's chief executive Charles Allen and Granada's chairman Michael Green, who will have joint responsibility for running the merged company, have been likened to "ferrets in a sack". Another issue that was mentioned in the Kraft takeover of Cadbury was that "a company taking over inevitably dominates

and imposes its values and decision making processes”. The stakeholders of Cadbury were not pleased with this takeover as they felt that their ideas and strategies would be unheard of.

When an M; A pursue an investment of a product in their market, they are not too familiar with the information of the product itself. This lack of assurance that the product will succeed i. e. the product will bring in profit over long range of time, will cause potential shareholders or shareholders to not take part in any form of investment of the company. This creation of loss and poor strategic approaches causes eventual value destruction. Another significant issue of a value destroyer is the complexity of a product. M; A fail to manage the complexity of a new product leading to failure in capturing value.

In the case of a merger or a takeover, the effectiveness of complexity management becomes more vital and problematical. Conclusion Mergers and acquisitions will do their utter most best in order to create value. The stepping-stone in which that this can be obtained is primarily down to the relationships between the managers and employees in both sets of companies. There are advantages associated with horizontal and vertical mergers, as they both consist of employees and managers who have a vast amount of knowledge about their own firms.

However, it depends on the way in which they interact with their colleagues to address their understandings. If the M; A are not fully aware of the differences in corporate cultures, it will lead to a dissatisfied workforce therefore destroying value. Leaders who have experienced rapid changes in

the value created and destroyed in their initial companies, will have to introduce new and clear visions for the integrated companies to progress. M; A can take full advantage of their integration due to their size and global reach. They can severely challenge their competitors due to the power they can enforce on them i. . combined company strategies could lead to a dominance in market power depending on the size and stature of the companies involved. However, value will be destroyed if the M; A effectiveness of their deals and planning is of a poor quality. If the integration plan of the companies is below par and unclear whilst maintaining the daily running of the business, M; A may fail. Inevitably, there will be instances that arise that are uncontrollable such as dispute over strategic planning between two companies or the irrepressible corporate culture differences.

In most scenarios, it is impossible to determine whether or not M; A create or destroy value, but careful planning and research pre M; A could enhance the situation of it being in more of favor of creating value in the future.

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commission/ <http://searchcrm.techtarget.com/podcast/Creating-value-for-customers-and-shareholders-with-Martha-Rogers> <http://www.dailymail.co.uk/sciencetech/article-1309852/Orange-T-Mobile-merge-networks-users-switch-them.html>. <http://news.bbc.co.uk/1/hi/business/6923517.stm>.

Corporate mergers happen when two companies combine. There are two situations in merging. An agreed merger is when both companies want to merge and when one company seeks to control another company without its agreement, it is called a hostile takeover. It is up to the shareholders of the target company to approve a merger. They usually approve if it is recommended by the board, or if they stand to make a substantial profit from the shares in the new company. Mergers happen since there are many motivations such as expansion.

A larger, growing company may try to take over its smaller rivals in order to grow bigger. In some cases it is the smaller company that wants to expand, but is held back by lack of capital. Smaller companies seek a larger partner who will put in the necessary investment. When a stock market booms, it makes mergers more appealing because it is relatively cheap to attain other companies by paying for them in high valued shares. However, falling share prices can lead to a company being undervalued and thereby an attractive acquisition.

Mergers can fail when the merged companies cannot agree on existing or new terms. Mergers can also run into regulatory problems. Governments may be concerned that the merger might create a monopoly and can either block it or require the merged companies to sell some of the firms which are part of their business. Mergers can sometimes not deliver the strategic

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objectives set, such as cost savings failing to materialise. There have been varied studies that suggest that whatever the instant benefit to shareholders, mergers rarely give much added value to the economy as a whole.

Acquisitions can also happen through a hostile takeover by purchasing the majority of outstanding shares of a company in the open market in opposition to the wishes of the target's board. An acquisition can take the form of a purchase of stock or other equity interests of the target or the acquisition of all or a considerable amount of its assets. In a share purchase the buyer buys the shares of the target company from the shareholders of the target company. The buyer takes on the company with all its assets and liabilities.

To increase shareholder value, managers could adopt a wider range of strategies. It aims to work as a systematic approach to success and security. There are five competitive forces that are important in determining shareholder wealth. They largely determine the prices at which the goods and services can be sold, the level of required investments and the risks inherent in the business. 1st visit to Coursework. info? Welcome! As a welcome gift, you are viewing the the complete version of this essay,? to view other documents in full you will need to become a subscriber.

Once a company has been merged or acquisitioned, the value of the firm depends on the cash flows generated from the business operations and the firm's cost of capital. Moreover depending on the success of the firm's strategies and decisions, the value of the firm will either increase or shrink

(value creator or value destroyers). An example of value creator is that of Cadbury Schweppes. Cadbury Schweppes objective is growth in shareholder value. They refer to focusing on growth markets, developing brands, innovations and acquisitions as vital approaches to achieving objectives. Source- annual report, 2000 Cadbury Schweppes) Historically, mergers have often failed to add significantly to the value of the acquiring firm's shares*. Corporate mergers may be aimed at reducing market competition, cutting costs (for example, laying off employees), reducing taxes, removing management, " empire building" by the acquiring managers, or other purposes which may not be consistent with public policy or public welfare. Thus they can be heavily regulated, requiring, for example, approval in the US by both the Federal Trade Commission and the Department of Justice.

Recently there has been real boom in mergers and acquisitions activity across several different companies. For example in Telecoms, Alcatel / Lucent and Telefonica / 02 mergers. Deloitte counts 12 cross-border financial services mergers over \$3 billion in the last two years. In 2005 a Bain and Company survey of 960 global executives found that 'acquisitions will be critical to achieving [their] growth objectives over the next five years'. Usually the CFO is to deliver all the vast synergy benefits that were promised to the market.

According to Deloitte, between 50-70 percent of mergers fail to deliver shareholder value. Accenture revealed that for an acquirer expecting to reap \$500 million in yearly cost savings from a merger and acquisitions transaction, a simple one-month delay reduces the net present value of the deal by more than \$150 million (assuming a 10 percent cost of capital). A <https://assignbuster.com/informative-essay-on-finance/>

seven-month delay costs nearly \$1 billion in lost value, or approximately \$3.5 million per day. ** Before the merger, successful acquirers need to ensure that their efforts incorporate fast and accurate assessments of both short and long term success.

Superior information management technology is also crucial, as companies with access to accurate and reliable data are able to specifically measure not only the potential synergies, but also the 'dis-synergies' that need to be parted from. The best practice is to implement a flexible information management approach that accommodates circumstances planning. Labatt Breweries was one particular company that was going through major organizational restructuring a few years ago. It moved from a regionally federated business to a national business.

When Labatt was involved in the merger with AmBev not long after, by taking this approach and installing flexible data warehousing software, its executives were well-prepared to handle this major upheaval with minimum disruption. Halifax and the Bank of Scotland's venture to form HBOS plc, where they chose a flexible data warehouse to get a reliable view of procurement data held in different systems. HBOS was realistic enough to recognize integrating operations and IT systems from different divisions.

They implemented an iterative approach and using a data warehouse to sit above their underlying systems; their business users were able to gain the necessary insight to drive important cost-savings. Above all, these savings were delivered quickly. Any merger or acquisition of any size is going to present vital challenges when it comes to integrating the different systems

of the two companies involved. *(King, et al. , 2004) **<http://investor.accenture.com/phoenix.zhtml?c=129731&p=irol-irhome> The longer you leave failures the greater the probability of corporate upheaval. Compaq's Eckhard Pfeiffer lost his job through taking too long over closing the performance gap opened by Michael Dell. He took too long over finding some way to combat Dell's direct sales and over making sense of the mixed-up mega-merger with Digital Equipment. Many European companies are in a similar state. They are lacking on performance and tackling with outdated business models; and in many cases depending often on giant mergers for their global chances. ?? Such huge unions as Daimler-Benz/Chrysler, or British Petroleum/Amoco, may work and be value creators.

BP is a good example of radical change fired by a simple ambition: to be the best. Top management reduced the bureaucracy and set simple targets, and linked overall aims with objectives for every unit and team. While BP's pay-off came speedily, rivals Royal Dutch-Shell delayed behind - until its directors applied much the same formula. The board ordained a higher return on capital, cut down on head office, and linked individual pay to performance. The reforms had however flopped as hugely as BP's had succeeded. In the latest financial year, Shell's profits slumped by 95% and return on capital was negligible.

Performance is somewhat dependant upon industry. For example, a high-growth, technology-driven industry is overall more profitably promising than a mature one, such as the steel industry. Many technology markets are still at an early stage, while in matured industries, for example steel, the level and distribution of profits tend to be more or less in a state of equilibrium.

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Most of the value is created by leading firms in the number one or number two position. Firms that are at the bottom struggle to survive while the rest trail along, making just enough to keep the business alive.

Industry can influence the performance of the mergers and acquisitions. The value creators and destroyers performance is independent of the nature of an industry. Studies have also found that environmental factors such as macroeconomic conditions and the cyclical behaviour of the industry have little influence on performance. They argue that extreme performance (both good and poor) is fundamentally driven by the quality of management not by the dynamics of an industry and that exceptional management produces exceptional performance, and poor management produces poor performance.

Daimler- Benz merger between Mercedes with Fokker and Dasa amounts of money trying to buy companies at the front position of technology only to crash into a high tech depression in 2001 which resulted in them losing 98 percent of their share value. Chairman Jurgen E. Schrempp resigned from his position at the end of 2005 as head of the world's fifth largest auto manufacturer. In an agreement with the board of directors and Schrempp, he terminated his employment with the company early (his contract ran through 2008).

Schrempp has been blamed for the fall of the company's share price since Daimler-Benz's merger with Chrysler Corporation in 1998 of which he was the architect. DaimlerChrysler once held a large stake in the Japanese car company Mitsubishi Motors as well as the car operations of Korean

manufacturer Hyundai. Its stake in Mitsubishi was as high as 37% but since it did not participate in a new capital increase in April 2004, it was reduced to 22%. The company sold the last of its Mitsubishi stock to Goldman Sachs in November 2005(see [www. daimlerchrysler. com](http://www.daimlerchrysler.com)) b) Choose a listed company that has merged in recent years and assess whether or not the company has succeeded or failed to meet the strategic objectives for merging. BP AMOCO ACOR CASTROL - Helios BP has long been a major part of the world's oil and petrochemicals industry. Our history goes back to just one man – William Knox D'Arcy – who invested time, money and labour in realising his conviction that Persia (now Iran) held extensive oil deposits. Today, BP has a major world-wide presence – it is one of the world's three largest oil companies and one of the six or seven largest companies in the world.

In New Zealand, BP is the leader in a highly competitive oil and petroleum products marketplace. The Amoco Corporation, in operation since 1889, is one of America's leading oil companies - and is now part of one of the biggest deals in industrial history. With total assets around ? 20bn and revenues of more than ? 21bn it was one of the largest publicly traded producers of crude oil and natural gas in the world. It currently employs about 43, 000 people worldwide and has over 340, 000 shareholders. In 1997 Amoco recorded earnings of ? 1. 6 bn and revenues exceeded ? 21bn.

The brand name " Amoco" comes from the American Oil Company which was established in 1910 by Louis and Jacob Blaustein of Baltimore, Maryland. In 1998, British Petroleum and US oil giant Amoco announced plans for a \$110bn (? 67bn) merger that created Britain's biggest company. The company BP Amoco had its headquarters in London. It was placed in the top
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three of international oil producers and the new group confirmed that it would cut 6, 000 jobs worldwide as a result of the merger. The shares prices in BP soared after the announcement as the market welcomed news of the deal.

Shares in BP surged 15% after the news broke - helping to revive an ailing FTSE 100 index. BP shares were up 101. 5p at 874. 5p by 1310 GMT while Amoco traded at \$46, up from a Monday close of 40-7/8. The merged company was held 60% by BP shareholders with the remaining 40% held by Amoco shareholders. In the proposed deal, Amoco shareholders got a 25% premium above BP's current market value. The merger deal was a share swap whereby Amoco shareholders were offered 3. 97 BP shares for each share of Amoco common stock.

The new company is run by BP chief executive Sir John Browne and co-chaired by BP chairman Peter Sutherland and Amoco chairman Larry Fuller. Sir John said he hoped the merger will increase pre-tax profits of the two partners by " at least" two billion dollars by the end of 2000. He said the deal marked: " a superb alliance of equals with complementary strategic and geographical strengths which effectively can better serve our millions of customers worldwide. " * * Sharon Beder, 'BP: Beyond Petroleum? ' in Battling Big Business: Countering greenwash, infiltration and other forms of corporatebullying, edited by Eveline Lubbers, Green Books, Devon, UK, 2002, pp. 26-32. This move was widely viewed as a takeover of Amoco by BP and portrayed as a merger for legal reasons only?. The newly-renamed BP became an initials no longer openly standing for " British Petroleum". The move away from " British Petroleum" was in a sense an indication of the fact

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that BP had become a global business and that the direct recognition of the company as British could be a disadvantage in some areas of operation.

Both BP and Amoco had significant investments in solar energy and share strong records and reputations for sound operating practices, and environmental and social responsibility. America represents 40% of BP's overall business. After a series of mergers with Amoco, Arco, Burmah Castrol and Vastar, by 2001 BP had become the largest oil and gas producer in the United States and one of the largest petrol retailers. In 2000, BP unveils a new global identity that brings together BP, ARCO, Amoco and Castrol under the single BP brand, and a new brand symbol - the Helios

In the 2006 Fortune Global 500 list of companies, BP was ranked 4th in the world for turnover with sales at \$268 billion (down from 2nd in 2005 and 1st among oil companies), in the 2006 Forbes Global 2000 it was ranked the eighth-largest company in the world. BP's profits in 2005 amounted to \$22. 341 billion with replacement cost profit after interest, tax and minority shareholders' interest taken into account of \$19. 3 billion?. BP Solar is the world-leading producer of solar panels through a series of acquisitions in the solar power industry.

Recently, BP announced that its solar, wind and hydrogen power businesses would be known as BP Alternative Energy. BP is the leading partner in the controversial Baku-Tbilisi-Ceyhan pipeline. The company currently has 37, 000 employees in the US. It sells 15bn gallons of fuel every year to motorists at 14, 000 petrol stations and BP's five US refineries consume 1. 5m barrels of crude oil per day. The company ultimately holds a fifth of all proven oil

and gas reserves in the country. Strategic Aims BP aims to improve the quality and capability of their manufacturing portfolio.

Their marketing businesses, supported by world-class manufacturing, generate customer value by providing quality products and offers. Their retail strategy provides distinguished fuel and convenience offers to some of the most attractive global markets. BP's many oil brands offer customers benefits through technology and relationships. Furthermore they focus on increasing brand and product loyalty in Castrol oils. This is continued to build deep customer relationships and strategic partnerships in the business-to-business sectors. after a single year of joint operations, " Amoco" was dropped from the corporate name ? [http://www. bp.](http://www.bp.com/extendedgenericarticle.do?categoryId=3&contentId=7005342)

[com/extendedgenericarticle. do? categoryId= 3&contentId= 7005342](http://www.bp.com/extendedgenericarticle.do?categoryId=3&contentId=7005342) BP Amoco strategic objectives are to gain greater market share while investing in green design. Green design is a term used to describe growing awareness of how businesses effect the environment within the fields of architecture, construction, and interior design. It is also referred to as “ sustainable design” or “ eco-design”.

Green Design supports principles and practices that minimize environmental intrusion such as: choosing energy efficiency wherever possible, working in harmony with the natural features and resources surrounding the project site, using materials that are grown or recycled rather than new materials from non-renewable resources, reducing waste, both energy and material, and designing buildings to use already existing energy. These green design initiatives can help BP Amoco reduce costs, increase efficiency, and capture the environmental market segment.

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BP Amoco aim to motivate environmental improvement within its organisation and make a connection between environmental design attributes and business strategy/benefits. Without a perceived business benefit, organisations will ignore environmental improvement measures. After segmenting the market and analysing the possibilities of profits in green design, BP Amoco saw significant opportunity in re-branding themselves as the energy company of choice for the “ environmentally aware motorist” (Beder 2002). This shows a conscious effort by BP to target lead, high volume and loyal green customers.

It targets the lead group because it shows it's investing in solar and wind energy resources, marking BP as the first oil company to begin investing in alternative energy sources. BP Amoco's objective is to be leaders of oil companies in green design and they seek to produce a profitable business market and a competitive advantage. While it should be noted that BP Amoco still generates 98. 5% of its income from oil and fossil fuels, the effort to implement green design shows a potential market of environmentally aware customers and BP Amoco's efforts to capture it.

Market research and customer analysis have given them the necessary information to make profitable business decisions. BP's tie-up with its United States rival Amoco was supposed to create an ethical champion at the top of the global oil industry and it was one of the biggest mergers in history. But eight years on, BP's US arm is becoming America's most accident-prone business. Issues are being raised about whether BP took a firm enough grip on its US management after mergers with Amoco in 1998 and Arco in 2000.

BP's spokesman says its commitment to renewable energy is unchanged. The company has invested heavily in solar and wind power, while a carbon impounding project is under way in California to generate electricity from petroleum coke. There have been doubts about BP that runs deep in America and the company may never bring back the optimism inspired by its environmentally aware change. Pratap Chatterjee, director of California-based CorpWatch, says: " This is a company that says it cares about the community and society, but it's not repairing its own pipelines and refineries. ? After performing a brief market segmentation analysis, the Kano Technique can help identify and prioritize green design business strategies (Finster et. al. 2002). Reference: Websites Annual reviews [http://www. bp.com/liveassets/bp_internet/annual_review/annual_review_2005/STAGING/local_assets/downloads_pdfs/b/bp_ara_2005_annual_review. pdf](http://www.bp.com/liveassets/bp_internet/annual_review/annual_review_2005/STAGING/local_assets/downloads_pdfs/b/bp_ara_2005_annual_review.pdf) [http://investor. accenture. com/phoenix. zhtml? c= 129731&p= irol-irhome](http://investor.accenture.com/phoenix.zhtml?c=129731&p=irol-irhome) [http://www. bp. com/sectiongenericarticle. do? categoryId= 9007082&contentId= 7014216](http://www.bp.com/sectiongenericarticle.do?categoryId=9007082&contentId=7014216) Strategy Business - [http://www. strategy-business. com](http://www.strategy-business.com) Articles and journals [http://www. mbadepot. com/external_link. php? ID= 1282&db_table= links&url= http%3A%2F%2Fknowledge. insead. edu%2Fabstract. cfm%3Fct%3D8858](http://www.mbadepot.com/external_link.php?ID=1282&db_table=links&url=http%3A%2F%2Fknowledge.insead.edu%2Fabstract.cfm%3Fct%3D8858) [http://www. corporateaffiliations. com/Executable/cn_mergers. asp? begins= B&mit= View+Archived+Mergers](http://www.corporateaffiliations.com/Executable/cn_mergers.asp?begin=B&mit=View+Archived+Mergers) [http://today. reuters. com/news/articleinvesting. aspx? type= mergersNews&storyID= 2006-12-04T035524Z_01_SP78341_RTRIDST_0_MERGERS-DEALS. XML](http://today.reuters.com/news/articleinvesting.aspx?type=mergersNews&storyID=2006-12-04T035524Z_01_SP78341_RTRIDST_0_MERGERS-DEALS.XML) [https://web. lexis-nexis. com/universe](https://web.lexis-nexis.com/universe) [http://www. tutor2u. net/business/strategy/competitor_analysis. htm](http://www.tutor2u.net/business/strategy/competitor_analysis.htm) Books

Mergers: Leadership, Performance and Corporate Health, Maurizio ZOLLO, David G. Fubini, Colin Price, Palgrave Macmillan Sharon Beder, 'BP: Beyond Petroleum? ' in Battling Big Business: Countering greenwash, infiltration and other forms of corporate bullying, edited by Eveline Lubbers, Green Books, Devon, UK, 2002, pp. 26-32. The takeover of Cadburys by a US processed food company called Kraft on the 19th January 2010 raised a few issues, as consumers felt that this acquisition was going to destroy value of Cadbury's before even giving the takeover a chance.

One of the issues raised were that a company that is taking over inevitably dominates and imposes its values and decision making processes overall.
http://www.eurojournals.com/ejefas_19_05.pdf <http://lawprofessors.typepad.com/mergers/2009/12/destroying-value-through-megamergers.html> <http://www.nber.org/digest/aug03/w9523.html> <http://odetocapitalism.com/2011/01/08/only-mega-mergers-destroy-value/> <http://www.rationalwalk.com/?p=4729> http://mpira.ub.uni-muenchen.de/4717/1/MPRA_paper_4717.pdf http://uk.finance.yahoo.com/news/5-Value-Destroying-Mega-foolcouk-3861692876.html?_r=0 <http://www.basini.com/cadbury-kraft-takeover-already-destroying-value/> <http://www.bcg.com/documents/file15236.pdf> <http://www.electronicweekly.com/blogs/david-manners-semiconductor-blog/2009/03/the-ten-takeovers-which-destroy.html> References References: Bertoncelj, A. (2006) "Corporate restructuring and controlling interest", Studia Universitatis Babes-Bolyai, Oeconomica, Vol. 51, No. 1, pp. 59-73. Bertoncelj, A. (2007) "Balanced Management of Key Success Factors in Mergers and Acquisitions",

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