Erasmus University
Rotterdam School of Management
(Faculty of Business Administration)

Towards post-acquisition synergy

Post-acquisition integration and the influence of top management effectiveness in reaching synergy

Master Thesis for the Master in Business Administration
Major Strategic Management
August 2020

Supervisor: Dr. Raymond van Wijk
Co-Reader: Prof. dr. Lucas Meijs

Ingemar Poldervaart - 502386
Rotterdam School of Management, Erasmus University
August 17, 2020

EXECUTIVE SUMMARY

Acquisitions enable firms to extend their boundaries to enter new markets, new geographic areas, acquire new capabilities or to achieve economies of scale. Although firms acquire other businesses, academic literature shows that a lot of acquisitions do not appear to be successful as previsioned. A considerable amount of research suggests that the post-acquisition integration process is an important driver for a successful acquisition. An important way in which acquiring firms create value is by seeking synergy.

Despite the huge amount of academic knowledge around post-acquisition integration and synergy in different fields and different settings, there is always a demand for further deepening and understanding how the post-acquisition integration contributes in reaching synergy. This research argues that the speed of integration and level of integration are two crucial elements for the appropriate post-acquisition integration approach. The post-acquisition integration is an evolving organizational process and consist management actions to determine the level of integration and at what speed that should be done.

The following research question applies:

How does post-acquisition speed and level of integration influence the creation of synergy in post-acquisitions, and what effect does top management effectiveness have on this relationship?

A multiple-case study was conducted in the logistic process automation firm. This study investigated four acquisitions, which are done between 2012 and 2017. The firm size differed from 10 to 100 employees.

Data collection is primarily obtained via interviews. In this way, it was possible for the various acquisitions, to compare the differences in the post-acquisition for both level and speed of integration and the role of top management effectiveness towards the creation of synergy.

Findings show that the post-acquisition integration is not a homogeneous phenomenon. Therefore, the post-acquisition integration should be well prepared by defining the characteristics and success criteria for each acquisition and draw up the appropriate post-acquisition integration plan for this otherwise the creation of synergy will not be maximized.

This study identified that creation of synergy was not the main reason to do the acquisitions. The performance of the acquisition integration is measured on how successful it is. The challenge at hand is that the criteria are not always that clear and this has consequences for an objective measurement.

Overall, this study demonstrates that: First, achieving synergy is not the main reason to do an acquisition. Second, the need for attention of cultural differences between the acquiring and acquired firms. Third, what the influence is of firm size difference between the acquiring and acquired firm on reaching synergy. Finally, the role of top management during the post-acquisition integration; where assigning clear ownership and defining a communication plan are elements that will influence reaching acquisition synergy in a positive way.

Keywords:

Post-acquisition integration, Integration speed, Integration level, Top management effectiveness, Synergy

TABLE OF CONTENTS

1. INTRODUCTION

Firms use acquisitions to extend their boundaries to enter new markets, new geographic areas, acquire new capabilities or to achieve economies of scale. The reasons for acquiring are primarily strategic by nature. These strategic business decisions are made when, for instance, the speed to relocate the firms market position cannot be accomplished via internal development (Graebner et al., 2017; Haspeslagh & Jemison, 1991; Jemison & Sitkin, 1986a; Meglio et al., 2017).

Although firms acquire other businesses, academic literature shows that a lot of acquisitions do not appear to be successful as previsioned (Bauer & Matzler, 2014; Graebner et al., 2017; Steigenberger, 2017; Teerikangas & Thanos, 2018; Uzelac et al., 2016). In literature the analyses of measuring acquisition success are elusive (Bauer & Matzler, 2014; Epstein, 2005; Larsson & Finkelstein, 1999). While studies have assessed, among other things, acquisition performance (Bauer et al., 2016), the efficacy and smoothness of the integration process (Weber et al., 2011), and goal achievement (Vasilaki & O'Regan, 2008), value creation appears to be an important indicator of success (Savovic, 2012). Success is defined as the extent of value creation as result of the acquisition (Fiorentino & Garzella, 2015; Seth, 1990). An important way in which acquiring firms create value is by seeking synergy (Chatterjee, 1986, 2007; Ficery et al., 2007; Haspeslagh & Jemison, 1991). Haspeslagh & Jemison (1991, p. 22) point out that "*synergy occurs when capabilities transferred between firms improve a firm's competitive position and consequently its performance*".

A considerable amount of research suggests that the post-acquisition integration process is an important driver of synergy (Haspeslagh & Jemison, 1991; Heimeriks et al., 2012; Larsson & Finkelstein, 1999; Steigenberger, 2017). In the literature much research has been devoted to the post-acquisition integration phase with mixed results, as predicting a successful acquisition seems sometimes contrary and confusing. This is related to a limited understanding of the post-acquisition integration process and its contribution in creating synergy (Weber et al., 2011). Every acquisition is characterized by a different level of strategic, organizational and cultural fit, which requires for each individual acquisition a customized and adaptable integration approach.

This research argues that the speed of integration and level of integration are two crucial elements for the appropriate post-acquisition integration approach. The speed of integration has largely been ignored in previous studies (Homburg & Bucerius, 2006). The speed of integration deserves attention as it influences acquisition synergy in several ways. Speed can be defined as either time to completion or progress over a given or set period of time. The dilemma is to define completion. As completion can an important focal point for business strategists this can be a reason why studies have focused on the progress over time (Angwin, 2004). Post-acquisition speed of integration can have advantages as disadvantages. An advantage can be limiting the interruption of work routines for employees. Whilst integration at a high speed can damage valuable capabilities in the acquired firm (Bauer et al., 2016).

The study of Birkinshaw et al. (2000) split the post-acquisition integration process into two sub-processes of task integration and human integration. The focus of task integration is on identification and realization of operational synergies. Where the focus on human integration is on creation of positive attitudes of employees on both firms. The two sub-processes have their own optimal speed of integration but are closely related.

Differences in (organizational) cultures between the acquiring and acquired firm might also influence the optimal speed of integration (Ellis et al., 2011). It is one of the main reasons why acquisitions do not reach their full potential, and are therefore not always as successful as predicted (Bauer & Matzler, 2014). When an acquisition is based on acquiring human capital or resources and there are cultural differences, then the speed of integration should be adjusted to this. If the speed of integration is too fast, it can result in employee's resistance or resignations. On the other hand, a too slow integration can result in not reaching the synergy potential.

The second crucial element is the level of integration and this will have impact on the amount of change that is needed. The level of integration can originate from absorption, where the acquired firm adopts the identity and culture of the acquiring firm by integrating into one firm or the opposite side where the acquired firm become a stand-alone with a certain amount of autonomy (Rouzies et al., 2019; Sirower, 1997). The level of integration will impact the independent operational performance of both firms, but a certain amount of integration is necessary to achieve synergy. With a stand-alone firm synergy can be achieved, for instance by exploring new domains, and exploit via the acquiring firm host structure (Haspeslagh & Jemison, 1991).

The two constructs, speed and level of integration, are closely related to each other. Finding the right balance and pace between speed and the level of post-acquisition integration is the issue at hand to maximize acquisition synergy. The post-acquisition integration is an evolving organizational process, and consist management actions to determine the level of integration and at what speed that should be done (Savovic, 2012).

Earlier studies (Sirower, 1997; Vasilaki & O'Regan, 2008) suggest that the top management team plays an important role in the post-acquisition process and in the achievement of synergy. They are responsible for the strategic goals and managing the firm (Ancona & Nadler, 1989; Carmeli et al., 2011; Castanias & Helfat, 1991). In addition, top management must respond to complex and rapidly changing external environment (Ancona & Nadler, 1989; Meglio et al., 2017), which can have impact on the post-acquisition process. The extent of top management involvement during the post-acquisition integration can vary substantially (Haspeslagh & Jemison, 1991). Involvement can become visible in different guises, by setting direction (e.g. setting the strategy), by including people (e.g. building teams) and by motivating (e.g. empowering) (Glamuzina, 2015).

Top management is defined as a coherent entity that works consistently towards the firm's strategic goals (De Hoogh & Den Hartog, 2008). The definition of effectiveness used in this thesis, is to achieve the strategic goals by performing the right activities. In other words, do the activities purposefully contribute to achieve acquisition synergy? In this way, by doing the right activities, top management effectiveness can increase the change to achieve acquisition synergy.

Previous research on top management concentrated on the relation between demographic variables and organizational results. However it didn't pay much attention on the intervening process constructs and neglected the mechanisms of group aspects that lead to the organizational results (Carmeli et al., 2011).

The following research question applies:

How does post-acquisition speed and level of integration influence the creation of synergy in post-acquisitions, and what effect does top management effectiveness have on this relationship?

This study contributes to the literature in two ways: First, the results of this study will advance our academic knowledge on how the two concepts 'speed of integration' and 'level of integration' and its impact on acquisition synergies. Second, it will contribute to advance our knowledge on how top management effectiveness influences the post-acquisition integration process in reaching acquisition synergies.

This paper is organized as follows: after the introduction, Chapter 2 - The theoretical background of the two post-acquisition processes ‘speed of integration’ and ‘level of integration’ and the moderating role of top management effectiveness in reaching acquisition synergy will be deepened, Chapter 3 - The methodology used will be discussed: research setting, data collection and how analyses will be done, Chapter 4 - The results will be presented. Finally, I will point out the main conclusions and limitations of my research, together with the managerial implications and future research suggestions, in chapter 5.

2. THEORETICAL BACKGROUND

The literature endorses the importance of the perspective that post-acquisition integration is crucial in achieving the strategic goals. In other words, the current literature is focused on the extent acquisition synergy is realized (Haspeslagh & Jemison, 1991; Steigenberger, 2017; Weber et al., 2011). The post-acquisition integration is a complex process with many different angles and the goal of reaching acquisition synergies are complicated (Steigenberger, 2017).

To define the field of interest, this research follows Bauer & Matzler (2014) delineation of post-acquisition integration process with the ‘degree of integration’ and ‘speed of integration’ of the two firms involved in an acquisition. In this research, it is argued that the two mechanisms influence the acquisition synergy hugely and that those are moderated by top management effectiveness. This will contribute to the literature by a better understanding how the post-acquisition integration process works and lead to acquisition synergy. Hereunder the concepts of synergy, the level of integration, the speed of integration and top management effectiveness are explained from different theoretical perspectives.

2.1. Synergy

The academic literature on synergy reveals several perspectives. A few widely recognized perspectives are financial economics which is centered around creation of wealth for shareholders, and strategic management that is focused on performance of the acquiring and acquired firms (Birkinshaw et al., 2000). Perspectives evolved over time and the process perspective got more attention as it wasn’t recognized before. The process perspective follows the view that both decision making process and post-acquisition integration process can be important contributors in the overall acquisition synergy (Birkinshaw et al., 2000; Haspeslagh & Jemison, 1991; Jemison & Sitkin, 1986b). I argue that especially those two elements, will have a major impact on – the strategic goals – achieving acquisition synergy.

In general, acquisition synergy is centered around the main idea that can be described as “*the increase in performance of the combined firm over what the two firms are already expected or required to accomplish as independent firms*” (Sirower, 1997, p. 20).

In the acquisition process identifying and quantifying synergies will be one of the activities when a firm is considering an acquisition. Three types of synergies can be identified: revenue synergies (generate higher sales), cost synergies (reduce costs), and financial synergies (e.g. tax and loan benefits). Financial synergies are less dependent on the post-acquisition integration and therefore excluded from this research (Qudaiby & Khan, 2013).

In the academic literature, the other two type of synergies are often related to the post-acquisition integration. Firstly, operational synergies through economies of scale, vertical economies and economies of scope. Secondly, collusive synergies by market and purchasing power (Chatterjee, 1986; Larsson & Finkelstein, 1999). In other words, operational synergies result in cost synergies, where collusive synergies result in revenue synergies. The nature of this research is focused on which type of synergies will be achieved.

Literature show that a source of synergy in acquisitions stems from the extent of relatedness (Lubatkin, 1983; Zaheer et al., 2013). Relatedness comprises similarity (Chatterjee, 1986; Homburg & Bucerius, 2006) and complementarity (Bauer & Matzler, 2014). Similarity is the amount of similar technologies, operations activities, or distribution channels used in the two firms. Complementarity is how the two companies complement each other to create value (Steigenberger, 2017; Zaheer et al., 2013). Kim & Finkelstein (2009) state that academic literature often focusses on similarity and less on complementarity and how this influences acquisition synergy, but their finding suggest that also complementarity is an important factor to consider. Kim & Finkelstein (2009, p. 619) define complementarity as follows, "*Acquisition complementarity as occurring when merging firms have different resources, capabilities, and/or strategies that can potentially be combined or reconfigured to create value that did not exist in either firm before the acquisition*". In this research, the contribution of relatedness will be considered.

Birkinshaw et al. (2000) argue that an effective post-acquisition integration exists of two sub-processes, namely task integration and human integration. Where task-integration may result in operational synergies but not with satisfied employees. The human integration may lead to happy employees but not reaching synergies on an operational level. It can therefore be argued that not managing both will limit the effectiveness of a successful acquisition and it could ultimately turn out negatively on the desired level of synergy.

The sub-process human integration can have several elements that influence the result of acquisition synergy such as; lack of employee resistance (Larsson & Finkelstein, 1999), culture differences between the acquiring and acquired firm (Slangen, 2006; Vasilaki, 2011), and clear communication (Haspeslagh & Jemison, 1991). To anticipate on the importance of the human integration element, this will be considered with the concepts 'degree of integration' and 'speed of integration'.

An interesting stand Larsson & Finkelstein (1999) take on synergy is that in earlier studies the organizational and HRM issues seem to be neglected while they can be a huge contributor in determining success. They argue that a more subjective approach is preferred and possibly a better predictor than measuring financial performance indicators. The difficulty with this approach is that it is hard to conclude when an acquisition achieved the synergy targets. End state synergies seem to be difficult to quantify. In their study, synergy is constructed as a combination of similarity and complementarity between the acquiring and acquired firms but also as the extent of collaboration and coordination during the post-acquisition integration process.

A complicating factor in reaching acquisition synergy is that the independent performance of both firms should be maintained while the post-acquisition integration will have an impact by changes in the operations. Reaching synergy while the organization will be changed is the big challenge (Sirower, 1997). This is the most complicated part during the post-acquisition integration process: as current business operations continue, organizational changes take place at the same time. And as business processes change, people do the work, and are an important part of the change process. The human aspect should get the right attention because all those changes (e.g. processual, behavioral and cultural) happen at the same time, and can therefore not be seen as separate research streams (Haspeslagh & Jemison, 1991).

The academic literature shows competing arguments regarding the creation of synergy. To be able to work with the concept synergy is understood as the increase of firms' effectiveness which results in higher performance.

2.2. Post-acquisition integration

Post-acquisition integration process is important to achieve the anticipated synergy (Gomes et al., 2013; Graebner et al., 2017; Haspeslagh & Jemison, 1991). While the post-acquisition integration was a topic of much research the academic literature is fragmented (Graebner et al., 2017). Research on organizational level, such as organizational fit, strategic fit, culture and leadership, lacks a clear relation to acquisition synergy (Angwin & Urs, 2014). This research follows the process perspective where the acquisition synergy potential depends on the ability of top management to effectively manage the post-acquisition integration process (Birkinshaw et al., 2000).

2.2.1. *Post-acquisition level of integration*

In academic literature the level of integration is an important concept. This concept relates to the manner how the new organizational structure, in the post-acquisition phase, is described. Therefore, it is an important way to look at the post integration phase. Having a clear conception of the level of integration, is consequently needed.

At the offset, the strategic goals of the acquisitions must be clear as this will also define the level of integration of the acquired firm will be (Steigenberger, 2017). In other words, the amount of the functional activities that are integrated into the acquiring firm's hierarchy defines the level of integration (Zaheer et al., 2013). Achieving operational synergies, as economies of scale, need a deep level of integration (Datta, 1991; Slangen, 2006; Zaheer et al., 2013). Some studies found that when firms are searching for cost synergies, a high level of integration will have a positive impact on acquisition synergies. A high level of integration seems less applicable for firms who are looking for growth or to gain knowledge (Steigenberger, 2017). In case of growth, it is all about revenue synergy.

The deeper the level of integration the more control the acquiring firm will have over the acquired firm (Steigenberger, 2017). On the other hand, the deeper the level of integration the more impact it will have on the size of the change and the coordination of the post-acquisition integration but also on the routines of both firms. Implement the right level of integration is necessary to reach acquisition synergies (Bauer & Matzler, 2014; Steigenberger, 2017).

The integration level will not take place at all organizational levels simultaneously. Integration of one software system will be done faster than a cultural integration (Bauer & Matzler, 2014). Differences in the two firms, as in management styles, organizational structures or cultures will influence the degree of acquisition synergy during the integration of the acquired firm (Datta, 1991). During the post-acquisition level of integration, sometimes the acquired firm will be hesitant to accept those changes (Steigenberger, 2017). Monitoring potential resistance of the acquired firm and managing this straight away is important to achieve the strategic goals of the acquisition and so reaching acquisition synergies.

2.2.2. *Post-acquisition speed of integration*

Literature on speed of integration is scarce and when available it is often assessed by the time it takes to complete the post-acquisition integration. It is the time to complete the integration of structures, systems and processes (Bauer & Matzler, 2014; Uzelac et al., 2016). To exactly define the start and the end of the post-acquisition integration is often difficult thing to do. To overcome this, time intervals can be used from shorter than 7 months to longer than 24 months (Bauer & Matzler, 2014; Meglio et al., 2017). If only time is measured, this maybe don't give much insights but in this study the relation between speed of integration and acquisition synergy will be topic of research.

Speed of integration influences post-acquisition integration in complex ways. Higher speed of integration is favorable when strategic orientation and management styles are comparable and slower speed of integration when those are further apart (Homburg & Bucerius, 2006). In this sense, each type of post-acquisition integration has its own preferable speed. Organizational structures are easier to change than cultures and beliefs (Graebner et al., 2017).

Academic literature reveals which processes the post-acquisition integration delivers value. By splitting the two processes task integration and human integration both contributed in their own way to achieving synergy (Birkinshaw et al., 2000). Differentiating the speed between task and human integration activities could mean they need different management approaches. Sharing of skills and resources is part of task integration, whereby human integration is about building trust between the employees of the acquiring and acquired firms. Creating confidence for the acquired employees in the new firm is also important (Birkinshaw et al., 2000; Uzelac et al., 2016). On the other hand, a higher speed of integration can make use of the positive feeling shortly after the deal of the acquisition and can also shorten the suboptimal condition of two firms before the post-acquisition integration (Bauer & Matzler, 2014). Negative interventions are better done fast, like cuts in workforces. A slower speed of integration can be recommendable when an organizational identity will be changed or building trust is needed. This will also be applicable if the cultural distance is bigger (Steigenberger, 2017).

2.3. Top management effectiveness

The post-acquisition integration can have a big impact on both the acquired and acquiring firm by reshaping the organization and on its employees. The role of top management is important in reaching the strategic goals as they are ultimate responsible for the organizational results. The top management team can be effective by ‘doing the right thing’ to drive the efforts that are needed to have a successful post-acquisition integration (Glamuzina, 2015; Junni & Sarala, 2014).

Top management effectiveness within the team itself consist of the following components: 1) how top management team decisions contribute to the organizational performance, 2) the commitment of the top management team to implement decisions and willingness to collaborate, and 3) how the top management team process contributes to the individual members’ growth and satisfaction (Edmondson et al., 2003).

Effectiveness of the top management team of the acquiring and acquired firm will benefit when the management styles complement each other and are willing to work as a team. This is important to achieve acquisition synergies (Datta, 1991; Haspeslagh & Jemison, 1991; Krishnan et al., 1997) and is applicable for both high and low levels of post-acquisition integration (Datta, 1991).

Haspeslagh & Jemison (1991) state that weak management of the acquired firm will have a serious impact on the post-acquisition integration and this needs to be addressed and fixed as soon as possible but at least before the integration takes place. In this sense, the top management effectiveness could be influenced by the quality of the management team of the acquired firm but also by the willingness to work together.

The top management team and its effectiveness can be compromised by splintered decision making, different motives and unclear expectations (Haspeslagh & Jemison, 1991). Those circumstances will have a negative effect on the top management team to do the right things to become effective (Glamuzina, 2015).

Further, if the top management of the acquiring firm transfer top management knowledge, against the will of the acquired firm, this will also be a factor of negative consequences (Steigenberger, 2017). With this in mind, during the post-acquisition integration, the top management team is an important factor in both operational and symbolic terms (Steigenberger, 2017, p. 416). Symbolic terms are closely related identity of employees and if that identity will be changed during the post-acquisition integration, this is something that top management need to take into account (Ranft & Lord, 2002).

To reach operational synergies, the level of integration will be deep with respect to the daily operations. Therefore the “organizational fit” is important, as this is the fit between management, personnel and cultural level between the acquiring and acquired firm (Jemison & Sitkin, 1986b; Krishnan et al., 1997). The bigger the gap of the two firms regarding organizational fit, the more effort has to be undertaken to achieve synergy.

For the post-acquisition integration, the top management team decides what the desired level and speed of integration is. Top management must understand that there are different possible scenarios. To achieve the desired level and speed of integration, those scenarios require different post-acquisition integration approaches (Bauer & Matzler, 2014). Those decisions will have an impact on the amount of acquisition synergy that will be achieved, as synergy can be compromised by too fast or the wrong level of post-acquisition integration.

3. METHODOLOGY

The research question is explanatory by nature and given the limits of extant theory, a multiple-case inductive study is conducted (Eisenhardt, 1989). Inductive studies are useful to strengthen theoretical understanding, as for this research, where extant theory does not address it completely. Multiple cases are effective because they enable collection of comparative data, and so are likely to yield accurate, generalizable theory (Eisenhardt, 1991). Triangulation will be done to combine different data sources, methods and theories to provide as much confirmatory evidence as possible.

3.1. Research setting

The logistic process automation industry is an interesting research setting. For a long time logistics has been seen as an unavoidable cost of business and now there is a growing interest to use it as a source of competitive advantage (Varila et al., 2005). Revealing the mechanism driving post-acquisition integration and top management effectiveness and its effect on acquisition synergy, an exploratory multiple case study was designed. Multiple sources of evidence were used to obtain as much relevant data as possible and secure concept validity.

The research at hand is conducted at a logistic process automation solution provider and was done in one firm. This was appropriate for several reasons. First, this industry is developing and innovating at a very fast dynamic manner. It is expected that in this industry, the larger firms will do more acquisitions to buy capabilities rather than building them to gain a competitive advantage. Second, in this fast-growing environment, the firm has already undertaken several acquisitions. And the question is, how is synergy created to add value to the firm. This has not yet been analyzed in a setting like in this research.

This study investigated four acquisitions, which are done between 2012 and 2017, and are presented in table 1. The acquired companies were an extension to the existing product portfolio, software portfolio or material handling technology of the acquiring company. In all the acquisitions, the whole firm was acquired, and the firm size differed from 10 to 100 employees. It appeared that not all acquisitions created the synergy hoped for. In this way, it was possible for the various acquisitions, to compare the differences in the post-acquisition for both level and speed of integration and the role of top management effectiveness towards the creation of synergy.

Table 1: Details conducted cases

The parent firm is called 'The Parent'				
Acquisition	**Year of acquisition**	**Country**	**Firm type**	**Amount of employees**
Case 1	2012	Germany	Equipment	100
Case 2	2014	Germany	Equipment	7
Case 3	2017	Germany	Software	17
Case 4	2017	Canada	Software	45

Case1. The main reason to acquire this firm is to add this part of equipment, also known as automated storage and retrieval system (ASRS)[1], to the parent's firm portfolio.

Case 2. The owner of this company has over 25 years of experience in the fashion automation market. The reason to acquire this firm is that fashion was defined as a core segment and for this a pocket sorter was necessary.

Case 3. The parent firm and this firm worked together since 2005. It was one of the key IT suppliers and the owner decided to retire. By acquiring the firm, the knowledge was secured.

Case 4. This firm was a software company and the acquisition gave the opportunity to expand its portfolio beyond baggage handling.

The four acquisitions are different type of firms, as two are software firms and two are an equipment provider for the parent firm. The size of the firms differs, and the firms are in different stages of their life. Those acquisitions provide a good mix to investigate how the parent firm deals with the post-acquisition integration process and how this is influenced by top management effectiveness in the creation of synergy.

Qualitative methods offer rich information, for this study by accessing top management members and their interpretations. A key advantage is that four cases were chosen in one firm, with comparable resources, technical environment and top management, so data could be compared. In this way the aim is to get a better understanding how the post-acquisition integration processes, level and speed of integration influences acquisition synergies and how this is moderated by top management effectiveness.

3.2. Data collection

Data collection is primarily obtained via semi-structured interviews with several key questions. The interview guide can be found in the appendix. The style of interviewing provided guidance due to its structured format. It also gave the opportunity to discover information during the interview that was important but wasn't thought about yet. In that respect, this style is semi-structured and at the same time flexible enough to act upon the circumstances that might arise. The interviewees were board members, directors, integration managers and consultants. They are expected to understand the drivers for the acquisition, the success criteria and are also expected to know how the process of post-acquisition evolved. Interviewees were informed in advance about the nature of the research and interviews were audio-recorded with the participants' consent.

To give more depth to the data, the study was done with four acquisitions. Some interviewees were involved in more acquisitions and some only in one acquisition and are presented in table 2. This resulted in 16 interviews. The interviews were conducted in English and typically lasted around 45 minutes, this resulted in a rich data set of over more than 10 hours.

In order to reach a certain level of saturation in the data (Mason, 2010), this research will not only be based on the interviews. In addition, desk research is done by analyzing annual reports, monthly (financial) reports and archival data, like KPI's, budgets, business cases and information on websites. The list with a total amount of 34 sources of data used in the research, is included in the appendix. In this, several sources can be invoked for substantial backing the findings. This process of multiple sources can also be referred to as triangulation (Rouzies et al., 2019).

[1] Automated Storage and Retrieval System is a type of automation equipment typically used in warehouse logistics

Table 2: Details conducted interviews

Role	Interview Date	Duration	General	Case 1	Case 2	Case 3	Case 4
Director	May 28, 2020	00:45		X	X		
Director	Jun 05, 2020	00:51		X			
Integration Manager	Jun 05, 2020	00:46		X	X	X	X
Director	Jun 08, 2020	00:41	X			X	X
Director	Jun 10, 2020	00:38				X	
Director	Jun 17, 2020	00:36		X		X	
Director	Jun 17, 2020	00:45					X
Board Member	Jun 22, 2020	00:32	X				
Board Member	Jun 22, 2020	00:40	X				
Director	Jun 24, 2020	00:42		X	X	X	
Consultant	Jun 26, 2020	00:45		X		X	
Board Member	Jun 26, 2020	00:47	X				X
Board Member	Jun 26, 2020	00:33	X	X	X	X	
Fomer owner	Jun 26, 2020	00:40			X		
Consultant	Jun 30, 2020	00:48					X
Director	Jul 01, 2020	00:42		X	X	X	

This study is done as an insider-researcher and therefore being aware of several potential biases: First, prior knowledge could result in making wrong assumptions and second, possible bias effects on analyzing collected data (Unluer, 2012).

For the qualitative nature of the study a full understanding of the context was needed, through the interviews we gained a comprehensive view but without being able to practice ourselves (Langley et al., 2013).

3.3. Data analyses

All interviews were transcribed within 24 hours. Accordingly, the analysis consisted of multiple readings of the interview transcripts. The transcripts were coded in Atlas.ti using Gioia Methodology (Gioia et al., 2012).

The 1st-order analysis resulted in a large number of codes of terms used by the interviewees (Gioia et al., 2012). The search for similarities resulted in 2nd-order themes. With this approach, the large amount of 1st-order codes were reduced to a more manageable amount of themes (Gioia et al., 2012). These themes were given labels, retaining the essence of the interviewees codes as much as possible. During the final step, the 2nd-order themes have created the basis for the aggregate dimensions, resulting in the data structure as presented in table 3. A recursive analytic approach was used until a clear idea was generated around the theoretical relationships (Gioia et al., 2012).

At the same time as coding the interviews, the archival data was analyzed. In this way quotes from interview data could be set side by side with archival data about expected synergies during post-acquisition integration process. For better understanding of those preliminary findings, I went back to the literature to review post-acquisition integration process.

The use of several sources of information (primary and secondary) allowed triangulation of the data, thereby improving the validity of the study. The findings of the interviews and desk research are presented in Table 3, which outlines the 1st order concepts, 2nd order themes and aggregate dimensions. The overview of the data structure is included in the appendix. In the conclusion of this paper, the findings are compared to theory backgrounds.

4. RESULTS

The firm, subject to this research, is a logistic process automation solution provider, which hereafter will be called the parent firm. In this research the data of four acquisitions are examined, these four are called Case 1, Case 2, Case 3, and Case 4.

In the following sections the different aggregate dimensions are discussed per paragraph and each theme is discussed per subparagraph, following the data structure.

Table 3: Amount of times the dimensions are mentioned by the interviewees

Dimension	Times mentioned	%
Synergy	126	18%
Post-Acquisition Integration	157	22%
Level of Integration	151	21%
Speed of Integration	97	14%
Top Management Effectiveness	178	25%
Total	709	100%

4.1. Synergy

For synergy, three specific themes are recognized, namely 1) strategic market relevance, 2) taking a defensive market position and 3) securing end-to-end access.

Table 4: Pattern for dimension Synergy

Dimension	Synergy			
Theme	**Times mentioned**	**%**	**Total %**	**Quotes**
Strategic market relevance	90	13%	18%	"*it will enable us to accelerate the development and launch of key products and solutions by closely combining the knowledge and experience* "
Taking defensive market positioning	11	2%		"*it was also a more defense, a defense acquisition being afraid that maybe 'case 1' was bought by another company and that we did not have access to this type of equipment*"
Securing end-to-end access	25	4%		"an add on of what we considered critical equipment to our portfolio to deepen our footprint in the warehousing sector" "was an addition of critical technology to our portfolio since there is a trend of 'the parent firm' to get more and more in the warehousing sector segment"

<u>Strategic market relevance</u>

An acquisition is often strategic by nature and during the interviews this was stated by a board member:

> *We are strategic buyer. So, we have a strategy as a company, and sometimes the best way to realize your strategic goals is to buy instead of build. And that can be because of the speed, that can be because of the cost, that can be because of the presence, a lot of reasons, but there are good reasons, strategic reasons why you should buy instead of build it yourself*.

When the strategic direction is to acquire a firm, the potential of that firm should be clear, as one of the consultants said: “*So the most important was, understanding the growth potential, and then building a strategy around it*”. Potential can also be seen as the ability to sell it to customers as stated by the same consultant:

In terms of potential there's much more potential when you buy that kind of product to demonstrate to the rest of the customers, that it's more into innovation, new software solution, new automation, expanding as a platform, and you can really use it to bring that message to customers.

The same answer was provided by a director, who previously worked at the acquired firm case 4:

I think the biggest synergy that, so there wasn't a cost synergy, the synergy was on the go to market. We had expected that, we had a few salespeople globally and, and 'the parent firm' presence and in terms of systems at 600 airports or more was, was a very attractive synergy for us.

In this way they combine the strengths of both firms in an efficient manner.

During all the interviews it became clear that none of the acquisitions were done to generate cost synergies, but even revenue or commercial synergies were never the main reason to do an acquisition. One board member said it as follows:

You could argue there are commercial synergies, but definitely not cost synergies. But you could also partner with those companies, but basically what you secure the continuation of a corporation into ownership, but that is from a synergy perspective, not the main driver, the driver is to have access to critical equipment.

Especially by acquiring smaller firms, you have to be careful not to have dis-synergies as stated by the same top manager:

By applying 'the parent firms' processes and standards, we exploit the synergies, there I will be careful because we need to be careful, when we integrate smaller companies, integrating them to our rather, heavy 'parent firm' processes can also lead to dis-synergies and quite some disturbances.

At least a part of the strategy was to grow into new markets by acquiring firms (e.g. fashion industry and passenger side for airports). In addition, as an external consultant argued, it seems to be important to keep key people onboard as well: "*the key was to retain the key staff and managers ensure that you keep the relation towards go to market and then ensure that the growth and the revenue synergies is achieved*". These individuals have the essential knowledge and skills that make the firm valuable to acquire, like said by the same consultant:

When you say the deal rational is to grow into new market and new revenue synergies, just not the product or the solution, it depends on many, many angles, right? What's the external market, how's the market developing, how's the competitor developing, how's your customer feedback? How will people engaged to really make that kind of sell?

<u>Taking defensive market positioning</u>

During the interviews a defensive acquisition to acquire was mentioned several times. One of the board members said: "*we don't have any ASRS, so no cranes or shuttles or these kinds of things*" and therefore this top manager stated that for strategic reasons they had to do this acquisition:

We said for strategic reasons, it's good to buy that company because if a competitor buys that company, all of a sudden we might be out of supply and next to that one, as I said, this is really basically a strategic piece of equipment, which we don't have in our portfolio.

In the business case to acquire the firm (case 1), this statement is also found: "*Acquiring 'case 1' is primarily a defensive move - guaranteed access to conventional cranes*". With the defense approach the parent firm was also able to prevent that competitors took that firm, one director stated it as follows: "*So it was not only synergy, but it was also a more defense acquisition being afraid that maybe 'Case 1' was bought by another company and that we did not have access to this type of equipment*".

So, this can also be seen as mitigating risk, for instance that the firm was acquired by a competitor. A director said: "*The main reason was to mitigate the risks against our key customer. And if 'Case 3' was bankrupt in the future, because or maybe our competitors buy 'case 3'. That was for us a catastrophe if that would happen*". Especially in this case the acquired firm was an important part in the relation with one of the key customers of the parent firm. The parent firm had to secure that the acquired firm (case 3) became part of the parent firm.

That dependency for some key customers was also mentioned by another director:

> *The main goal was, as already mentioned, the owner wanted to retire and he wanted to sell the company. And our goal was not to lose that company, not to lose that knowledge to one of our competitors. So that was one issue because, they were software company with detailed knowledge of the software systems of some of our important customers. And if that company would have gone to a competitor, we would have had major issues.*

This director also told that the parent firm wanted to prevent that this firm would be sold to a competitor as the owner wanted to retire. This makes clear that the parent firm always need to know, what is going on with your business partners, for example to prevent that a firm is suddenly bought by a competitor while you are dependent on that firm. This reason to do an acquisition was also mentioned in case 4, next to the other reasons to acquire this firm, a director said: "*The impetus to do the acquisition when we did was that 'case 4' was approached by another company…. but I felt that 'the parent firm' was the right place for the business to grow and flourish longer term*".

<u>Securing end-to-end access</u>

The overall pattern was that the parent firm was looking for end-to-end solutions and therefore do acquisitions to fill gaps in the portfolio of the parent firm. One of the directors said about case 1: "*It was buying a product or competence that we don't have on our own. That was the same with 'case 2' and with 'case 3'. Buy knowledge, knowledge buy*". In this way the parent firm was also able to secure that the knowledge wouldn't disappear, as stated by the same director: "*from a business perspective, because the only reason for this acquisition was to save the knowledge*".

Filling the gaps in the portfolio was not the only reason to do those acquisitions, it was also to strengthen the position of the parent firm. This is mentioned several times in the documents collected during the desk research, for example in document (D18):

> *This acquisition is of strategic importance for 'the parent firm': it will enable us to accelerate the development and launch of key products and solutions by closely combining the knowledge and experience of the 'case 1' team with that of our own experts. This will further strengthen the positioning of 'the parent firm' as an integrated player with a full product portfolio for the distribution market.*

The reason for the acquisition of case 1 was also highlighted in the annual report of 2012 (D29): "*We have further strengthened our position with the acquisition of 'case 1', which is now our as/rs competence centre*". The same was applicable for acquisition of case 3, as desk research (D22) stated: "'*Case 3*' *take-over will strengthen the IT know-how in general*". During the interviews the importance of strenghten the position of the acquiring firm was also mentioned, by a board member:

> *'Case 1'gave us direct access ownership of critical equipment to compliment our portfolio in the warehouse and sales*" and "'Case 2'*, with the pockets sorters was again a add on of what we considered critical equipment to our portfolio to deepen our footprint in the warehousing sector*.

Access to products was another reason to do acquisitions. An integration manager said: "*We bought them for the product reasons*". And also by a board member who argues that: "'Case 1'*, we need to have our own shuttle, need to have our own mini load solution*". The same was applicable for case 4, as stated by a consultant: "*basically 'case 4', acquisition was done to take a longterm strategic view and get some value for 'the parent firm' expand to new products*".

Extending the portfolio to secure end-to-end access was another topic mentioned. One example was given by a director: "'The parent firm' *was heavily looking for a partner in the ASRS to fill in the ASRS portfolio within 'the parent firm'*" and this director also said: "'Case 2' *was really an add on, on our product portfolio*". A director said:

> *I think for both sides, it was really successful because 'the parent firm' got what was basically the risk, the dependencies and what was also a big success was that we could develop, the missing portfolio for 'the parent firm'. At the beginning, we had only a few products, cranes, and some other smaller ones. And then the next years we developed all the missing products that you need, to offer all the projects that we wanted*.

Also, desk research confirmed it in the annual report FY2015 (D34) for case 2: "*This takeover has extended the company's portfolio and created a knowledge center for new product development in its key markets.*"

The integration manager summurized it as follows:

> *There are all kinds of different reasons. So, it's extending the portfolio. It is reducing risks or getting new technology. And that's, for example, with 'case 2', the case where we have this goods on hanger and this pocket sorter technology, which we did not have. And that was new technology we want to acquire. And the same thing happened with 'case 4'*.

4.2. Post-acquisition integration

For post-acquisition integration, three specific themes are recognized: 1) governing teams and ownership, 2) managing and control progress and 3) organizational learning.

Table 5: Pattern for dimension Post-acquisition integration

Dimension	Post-Acquisition Integration			
Theme	**Times mentioned**	**%**	**Total %**	**Quotes**
Governing teams and ownership	47	7%	22%	"*lot of people involved, less ownership* "
Managing and control progress	81	11%		"*You need to have a good plan. And if you find out implementing that plan, you should change. And if you change rapidly and that's not wrong, so there is a moment where you have to be agile and flexible. And if you find that one thing doesn't work then you try and other thing* "
Organizational learning	29	4%		"*A key learning is you need to be clearer at the beginning* " "the integration team to sow that together in the right way to grow that aspect that you really wanted within the company, do I think we're doing that? Yes, but it took us two years"

<u>Governing teams and ownership</u>

Ownership and responsibilities are a recurring topic during the interviews and often in relation to unclarity. A board member said:

> *Clear ownership. Clear responsibilities. I think that's another element in 'the parent firm', we have too many organizations involved and not clear ownership, … very blurred responsibilities. There's no clear ownership. You could never point out one person who's responsible for something.*

and a board member also noted: "*issues with regard to who decides what, and accountability. So what has been also completely unclear till today, who's responsible for this product sales or third party sales or small project sales. That's mistake we made over and over again*". This becomes especially clear, when an acquired firm doesn't fit in the current organizational structure of the parent firm. A board member said:

> *And I think that's where we struggled with because it didn't fit in our normal structure. So to say, so then it was added to the COO as a department. But there with, they lost to some extent the feeling with the real business and the customers.*

Resulting in "the one who said, we have to buy this because we need this product, all of a sudden was on the backseat and not on the front seat.". Where a director said it in short: "lot of people involved, less ownership".

From an acquired perspective this kind of explanation was also shared by a director: "*the buying company really needs to own that and drive that because quite frankly, they understand why they bought the company.*"

Finally, looking from a business perspective, a director said:

> *It's more the direct responsibility of that integration team reporting to the business unit director, in which we are going to integrate the target. Then there are still supporting, but not responsible for the success of an integration. That's always an business responsibility.*

This explanation is given that the integration of an acquired firm, according this director, is always a business unit responsibility and not a supporting unit responsibility.

In general, the same unclarity is about responsibilities. A board member said:

> *But that's also a bit of a 'parent firm' disease and the roles and responsibilities who is responsible for what that is not properly addressed … . So who decides, and what, as a company, we never wrote that down, let alone that the company that you acquire understands how this complex company works and who decides on what, and there, but we have a lot of these blank spots. So to say that are not addressed or not addressed properly. And you already discovered it very, very late*.

One former owner stated:

> *It's all big companies. I know companies are running by managers, so there's some lack of entrepreneurship thinking. You manage things. And if you don't know, you have a power point and a meeting, then it's 20 people to the room talk and meet. And no decision at the end cause there is no extrepreneur saying, hey, let's do that. Off you go.*

A board member also sees some good developments within the parent firm by putting more responsibilities within the business units: "*Still, I think with the recent decisions to put them back really into the business, that there's a very good decision*".

The outlined situation is partly caused by the fact that the parent firm doesn't do that many acquisitions. Therefore, there was not always a dedicated post-integration team assigned. For instance, in case 1, there was a general manager appointed and he also became the responsible integration director. A board member said:

> *In 'case 1', we said, you do need to post acquisition manager and preferably there's also the one who suffers if the post acquisition is not successful. And so he has to become responsible or partly responsible for the success of this unit going forward.*

In line with this, another director said the following: "*very important to manage the change or to demonstrate ownership that he really is going to take over that company. So that is going to be a part of its entity integration manager is important.*".

In case 4 the same approach was used, a director said: "*we had a dedicated integration person, but you really have to, you have to have the right people that can accentuate the part that you wanted*".

For case 3, it was decided to integrate it, into the German customer center, right away and therefore the integration was mainly done by the management team of that customer center. A director said: "*So we had from the management team from the customer center, we had dedicated people that were responsible for one area to implement."* and also another director said it in this way: "*The real integration was mainly done by my management team.*".

The interviewees recognize that the parent firm doesn't do regular acquisitions and that this has consequences for the integration team, as stated by an integration manager:

> *We are not organized to do these integrations and we do not have a separate integration team now, then they look to my team, which are the process information managers who are working with process and IT systems and do implementations in organizations.*

Due to the limited amount of acquisitions done within the parent firm, there is no dedicated post-acquisition integration team available. The capacity is taken from existing departments which have other core activities.

The teamwork between the two firms during the post-integration was topic of discussion several times. In case 1, before the acquisition took place, there was already a partnership for many years. Sometimes there were discussions, as both firms had their own targets. A director said the following:

> *You're dealing together on these projects where 'case 1' was a subcontractor, and there was also a lot of fights on sites, … the idea was also when we buy 'case 1' then at least the working together on projects should go much easier.*

Interviewees also reflected on teamwork during the integration process. This concerns being willing to do concessions on both sides, and this was reflected by an integration manager: "*let's say, two parties are integrating, and then the question is how much concessions is doing one side and the other sides*". Sometime teamwork was difficult as the acquired firm wasn't familiar with the way of working in the parent firm, so it was difficult to advice how to integrate. For case 4 a director stated: "*So we couldn't even advise at that point in time on where the differences were coming from our side*". The complicating factor was that the acquired firm (case 4) was not in working in the same area as the parent firm. In airport terms, the parent firm is mainly working under the wing (baggage systems) and the acquired firm is working above the wing (passengers). Then one of the questions raised was stated by a board member:

> *Since we did not have wing synergies on the technology side. The main question then was how do we cooperate on the commercial side? Is it a direct channel to the market, or is that indirect channel to the market via our customer centers?*

The mentioned channel is about how to sell the solutions of both firms. One option was selling via the current sales channels of the parent firm or to sell the acquired firm products via the sales channel of the acquired firm and not making use of the sales channels of the parent firm. There was no experience what the best sales channel option was, and so this was about willing to work together and willing to adjust a decision if it didn't work as expected.

<u>Managing and control progress</u>

During the post-acquisition integration, the progress – according to the interviewees - should be managed and controlled and an integration plan is mandatory. The answers of the interviews showed that post-acquisition integration plans were often not available. A director said for case 1 and case 2: "*I haven't seen a clear plan with milestones and deliverables these type of things.*". This director was also the general manager for case 1, and said: "*I made a kind of plan and I reported that*". Also an integration manager recognizes that there was, to his understanding, no clear integration plan: "*I'm not sure where we really had, let's say a post acquisition integration strategy at a time.*". A former owner said: "*my feeling was no, there was no plan.*" but also another director said: "*there was no post acquisition strategy*". This director told that it was more perceived as: "*it was more or less, run to fail. So if it works well. Yeah. So then nothing. And, if you had hurdles then okay. What should we do now? Who to contact and, yeah*".

In the meanwhile, there have been made some improvements as stated by a director: "*In the last two years, … we've learned and we changed it a little but on the first two parties there was nothing available*". This director added to it that "*it's not very wise to define the end state during the process. It's better to have that at the beginning. Because then you know, what the change impact will be*". Overall, the interviewees addressed the lack of a clear post-acquisition integration plan.

A board member said that preparation of the post-integration should be improved: "*Not enough detail planning, not enough clarity on the structural of those companies in 'the parent firm' which led to a lot of conflict discussions, trial and errors, waste of energy, frustrations*". In more interviews the explanation of a lack of preparation was given, like by a director: "*Not enough, but it was, we did not have enough discussion at that time*", this director was involved in case 4 and this acquisition was not about overlapping business and he stated both firms tried to understand each other but: "*there was an attempt there, but I think we didn't spend enough time understanding the delta*".

The next step is about monitoring the progress. One of the board members is very clear about monitoring the progress: "*That is one of the main lessons learned. We have to be much more disciplined to plan the post-acquisition phase: how we want to, integrate the company, what the post acquisition plan looks like*". If the post-acquisition integration is better planned, it will become clear if things are not progressing as planned. A board member said: "*You need to have a good plan. And if you find out implementing that plan, you should change. And if you change rapidly and that's not wrong, so there is a moment where you have to be agile and flexible*". One director said about monitoring the progress with KPI's: "*KPI, to my knowledge, I never saw one*". A board member had a slightly different opinion about monitoring the progress: "*Like all internal projects, so with steerco and with regular meetings and reporting*". A board member, recognize that there is often a plan but the follow up on it is lacking and so he said: "*Really make it an agenda point of a senior management manager who has this responsibility and has to report on it.*". While the majority of the interviewees stated that there was a lack on monitoring the progress, you see some different views for this topic.

The right preparation of the post-acquisition integration will contribute to have a successful acquisition. A consultant said: "*you should think about the post acquisition process and strategy and do as much before as possible to really make it successful.*". This consultant added: "*which was also very important is, in terms of preparation, a good checking was done internally with the team, in terms of asking feedback from the team.*".

Of course, there is a reason to do an acquisition and progress should be monitored to see if the reason to do that acquisition is fulfilled. This was another topic that didn't have much attention, a director said: "How are we doing in terms of creating value? I think, we missed, stating what the main purpose was". This was also recognized by a consultant: "*I think from an commercial level, there was not so much post acquisition measurement. So commercially, it was not really followed.*"

<u>Organizational learning</u>

During the interviews a pattern emerged about organizational learning and the way improvements can be made to the development of the organization and the way it operates. Two major topics were discussed: 1) learning to improve integrations and 2) the acquired firm learns how the parent firm works. For both topics several times the difference in size of the acquiring and acquired firm were mentioned.

The experience with doing integrations is an area, according to the interviewees, which should be improved as the parent firm didn't do that many acquisitions. A board member said: "*just that as a company, we've not done that many really and on many different scales. So I think we didn't have too much experience*" and this board member added: "*Even today, we still don't really have the level of experience on a practical level to, to understand what works and what doesn't work*". So even when dedicated people were assigned to do an integration then the explanation was that they were not fully equipped to do that, like a director said: "*There were dedicated people, to do that. But they, you know, really didn't have a good feel for the business*". On the other hand, with not so many people in the parent firm that have experience to do those integrations, they made use of the existing experience, as a consultant: “*So I think also the company looked for someone who has done it before from ‘case 1’ that experience*”, so this integration director was also involved in the majority of the other acquisitions. A consultant said in addition to select the right person to do the those international integrations: “*People should be able to make the, let's say translations. That's very important*”.

When the parent firm slowly gets more experienced with doing post-acquisition integrations, the lessons learned should, according the interviews, be embraced and used for the following acquisition. The explanation of the interviews showed that there is still room for improvement. One key topic was about taking time to do the preparation in the best possible way. For instance a board member said: “… *the main lessons learned. We have to be much more disciplined to plan the post-acquisition phase: how we want to integrate the company and what the post acquisition plan looks like*”. This was also said by another board member: “*the most important one is to spend more time upfront on this post acquisition plan with all the stakeholders involved and stick to that*”.

The four acquisitions, subject to this research, were much smaller than the parent firm and the interviewees reveal that size of the parent firm and the acquiring firm comes in to play in the minds and it is this topic where lessons can be learned they say. A board member states in this respect that:

> *As a company with 1.5 billion, and we look to this very, very small company of a few million, we think, yeah, how difficult can that be? It's from that perspective, I think we, in both cases, we really underestimated the impact and the effort it took to get them in our tooling and our way of working at the end, it was successful, but it was painful and it took longer as we expected*.

An organization can learn if there is a mentality to learn and that note was shared several times. One director said: “*learn, let's say, the new company and get the mindset of the new company*”, and in this way willing to start to know the new firm. Also, another director made this statement: “*So there was an eagerness to understand ‘the parent firm’, and it was an eagerness to learn as much as it was to contribute*”.

Sometimes it is also about forgetting the ‘old’ way of doing, like a director said about case 1 where not much was documented: “*if one of these key people is ill or not there, or even leaving the company, you have a big, big problem. And that is constantly learning. We have to do that in processes*”. Those processes then can be used to document things and in this way the firm will be better prepared if a resource is not available. This is about a mentality to learn.

There was one another explanation about learning, and this was about the strategic reason to do the acquisition and are those targets made. A director said: “*Integration is what do we want out of this company? What do we want this company to be within ‘the parent firm’?*”. If you have that clear then the parent firm must spend time on the right integration approach, as stated by a board member: “*what is the right integration model for a specific acquisition?*”. In this way you can prevent to overwhelm them with changes according one former owner: “*if you acquire smaller companies working in a totally different way, don't overwhelm them with all these regulations from the beginning, you will kill them almost, definitely*”.

One nice quote was given by a consultant: “*learning gives a message that something is wrong, but actually, I would say it also differently in terms of potential there's much more potential*”. This is what reflects in a good way how the interviews were perceived regarding organizational learning, it is about becoming better every day.

4.2.1. Post-acquisition level of integration

For post-acquisition level of integration, two specific themes are recognized, 1) strategic fit and 2) integration approach.

Table 6: Pattern for dimension Post-acquisition level of integration

Dimension	Level of Integration			
Theme	**Times mentioned**	**%**	**Total %**	**Quotes**
Strategic fit	65	9%	21%	"*Both companies tried to approach the market, where the airport is leading, if you will. So there was a lot of good synergies there* "
Integration approach	86	12%		"*when they cannot add value without, being integrated, then we have to integrate to a higher level in a shorter time* " "*if you acquire smaller companies working in a totally different way, don't overwhelm them with all these regulations from the beginning, you will kill them almost, definitely* "

<u>Strategic fit</u>

The degree of how two firms fit together has been discussed in most of the interviews. All the four acquisitions were smaller firms in relation to the parent firm. The majority of the acquired firms have an entrepreneurial kind of owner. It turned out that the degree of the strategic fit starts with trust between the people involved in the acquisition of the two firms. In case 1 the acquisition almost didn't happen because the former owner of case 1 and the people of the parent firm involved at that time didn't have a fit. A few months later with other people involved of the parent firm it went much smoother, like a director said: "*We had that trust with 'former owner'*".

The strategic fit was present in all the four acquisitions, like adding products in the portfolio of the parent firm. The challenge however, was the 'right level of integration' in the parent firm. As mentioned by several interviewees, the level of integration reached, was not that succesful as hoped for, except in case 3. The case 3 acquisition was, in relation to the other cases, different because this firm was integrated in one customer center. This was relative easy as it didn't need a collaboration with all other customer centers in the parent firm. A director said: "*they became directly a department under operations in the customer center. We didn't change much in their infrastructure. We only connected them to the 'parent firms' network.*". This is in line with the statement of a board member: "*we transferred that directly under the GmbH under Germany*". As this acquired firm became some kind of department within the German customer center, it could be seen as absorption into the parent firm and so a deep level of integration.

In case 4 the exact opposite happened, the original idea was to make use of the sales channels in the existing customer centers within the parent firm. It turned out that this sales force was not able to sell this kind of products that easily. The parent firm then decided to make a new separate customer center for this former firm, with a dedicated sales force to cover the whole world. A director said: "*We didn't set that up for success*" but also said: "*But honestly we know that the right thing is to integrate it back in. We just have to prepare the channel differently.*". This acquisition can be seen as a stand alone for now.

The sooner the parent firm knows what the level of integration will be, the better it is. But to be able to reach that perspective one must first has to answer the following question, as said by a consultant: "*What are we going to buy and how are we going to make sure that we embrace it and structured in such a way that things come to success*", in this way it should become clear how to organize it, as said by a consultant: "*then you also should address how you organize it*".

The differences between the relative big parent firm and small acquired firms, has an impact on how to organize it. The majority of the explanation was about killing the entrepreneurial mindset of those acquired firms when you want to integrate the parent firms way of working. A director said about case 1: “*when you introduced the entire ‘parent firm’ way it working, then you kill the company*”. This is also noted about case 4, where a director said: “*And it's hard when you bring in the small company into a bigger group, you can kill that group really easily*”. The acquired firm get confused when they have to adopt the parent firms way of working without a good integration, one integration manager said: “*They get confused. And that's what happens in each acquisition. I've seen that in ‘case 3’, I've seen it in ‘case 1’, I've seen that in ‘case 4’” and added to that: “They don't know how they have to work together and they do have to work together*”.

In essence, the pattern is covered by the following description of a director: “*In ‘case 2’ it was that we tried to rebuild the complex structure of a big company to a startup. So we treated the startup same way, like a huge company and that's wrong*”. A director added to this case 2: “*now it's part of the monster, slow, costly, not very innovative. Everything's why we bought them is gone” and so: “it was too much corporate and too fast”.*

To be better prepared for the future, a board member said: “*We have to find in the future a better model where we would want these companies to work according to our standards and not overloading them*”.

For firms that are used to work with processes, a former owner said: “*If you acquire a big company, use to work with processes, regulations and rules needed to fulfill really big projects like ‘the parent firm’, then you can integrate maybe directly*” or if there are cost synergies involved, as stated by a board member: “*unless we would acquire a company there's a lot of cost synergies, then I would rapidly basically close the company and fully collapsed on ‘the parent firms’ processes*”. The reason to do an acquisition need to clear, so the post-acquisition integration plan can be adjusted to meet the requirements.

The parent firm should also look to the size of the projects, according a former owner: “*we talk about huge project, 50 million, whatever more. Start up company was a product, which has an average sales cost of let's say 1 million. You can't handle it with the same rules and regulation as a big concern*”. In other words, the size of the project need to be reflected in the overhead that is needed to execute those projects.

There was a pattern on the level of integration, and in general the statement was not to integrate those acquisitions too deep into the parent firm during the take-over. Take the time to get used to each other. A director added for startup kind of firms: “*All successful companies who do innovation, never do that inside the company*”.

<u>Integration approach</u>
During this research it became clear that acquisitions were often done to strengthen the position of the parent firm and not to achieve cost synergies. Document D18 stated that the acquistion of case 1 is done to: “*further strengthen the positioning of ‘the parent firm’ as an integrated player with a full product portfolio for the Distribution market.*”. A board member said in addition that the acquisition of case 1: “*strategically makes a lot of sense*”.

The strategic fit of two firms is important for several reasons but in relation to the post-acquisition integration a board member said: “*The most important is the strategic fit related to the post acquisition.*”.

A board member said about case 4: “*And eventually with a bit more time. We will find the right model to cooperate*”. This was said due to the fact that despite the strategic fit for case 4 adjustments had to be made by adjusting the sales channels. In addition to this, the director said: "*We didn't let it a fester for too long and we corrected it now. Now we're in a much better position from a business standpoint. I think we understand better how this fits strategically*".

A board member said about case 1 in relation to the strategic fit: "*we were very dependent on 'case 1' and there were not a lot of alternatives, so perfect. We had to buy it. It was a strategic fit, but also a bit of defensive*". A consultant said about case 3: "*I mean it was just IT capacity and capability. So that was the strategic fit over there*". Overall the topic strategic fit was often mentioned and the interviewees were aware of the importance of the strategic fit when a firm is acquired.

After finding a strategic fit, the next step is to define the integration level of the acquired firm. The interviews revealed that the integration level end state was not always clear during the post-acquisition integration. A director said about case 1: "*so it was step-by-step and, every year, every month let's say a few steps further. It was really step by step approach*". Also with case 4 it was mentioned that it was a step-by-step approach. An integration manager said: "*a gradual integration. And the first step is most of the time, let's say the financial reporting part, that is integrated. And later on the rest of the, the ways of working*". An integration manager added to this:

> *The urgency to integrate. It's depending on how self-supporting this company can be and add value to 'the parent firm' without being further integrated. And when they cannot add value without, being integrated, then we have to integrate to a higher level in a shorter time.*

A director said about case 2: *"we said, we only do the minimum of integration"*, in this way the intention was to keep close enough to the parent firm but also give them enough flexibility to do their own work. A director said about startup companies: "*you can have an other scenario, that they are only for example, on the email that they, that they are integrated at the same email address, but not on the processes and tooling and these type of things*".

For case 4, a board member said: "*it was, all about, as we said, speed, first mover advantage, having a degree of independence. So they were the key drivers that initially, built the plan*".

Defining the integration approach, it was stated to keep in mind that for the relative smaller companies that were acquired, this bigger parent firm could be a bit overwhelming. An integration manager said about case 4: "*They, have seen how our way of working was, and they said, well, this is too big, too much yet. That's only for big projects and we don't have this projects. We are small project, small business.*", so this integration manager added: "*there is a challenge to find let's say the right integration that it works correctly*".

A director said about case 3:

> *Our idea was at first do so less changes in that organization as you can leave it as it is by the beginning. So that they can feel at first 'the parent firm' a little bit before you are starting this integration really, and changings.*

A director said about case 3: "*But in the first two years, no change in their environment. No employees, no moving nothing*". It was said that you should involve the people, like a consultant: "*if you involve people earlier in an acquisition also for the post acquisition purposes, then at least they know what they're talking about and what they're going to do*". This consultant said that this will prevent that people start later discussions what they assume the acquisition is about.

Overall the pattern was that the integration approach could be better prepared, like a board member said: "*That was more down the road and developed over time.*". One of the board members had a diffenrent opinion: "*These discussions have been made from the start from already in the post acquisition plan, completely clear.*" but then this board member said: "*What* *our people do, they start discussing it*". This board member said, it is clear that every decision has disadvantages and we have to accept that.

The next step is to execute the integration plan. An integration manager said: "*the first integration was the IT part always. So that they can connect to our network and become part of the, IT, that was the first integration in every acquisition we have done*", followed by "*the financial results that they can be, these results can be consolidated in the financial reports of 'the parent firm'*". Followed by the third step: "*collaboration, operationally*". This integration manager added: "*The IT part we do, or most of the time, very fast financial part follows quickly after that. And, but the way to work together, that's strongly depends on the dependencies you have*".

The integration plan is not always that clear, an integration manager said: *"I think we have an implicit integration plans and step by step we say, okay"* and added: "*Then we do this step, but the next step is not defined. So we are, let's say not proactively planning how we step by step going to integrate such a company explicitly. We don't, I haven't seen that"*.

After asking if the intention was to do a full integration for case 1, a director said: "*that was always the target and but there was not always a clear end date so to say*".

A director said that for executing the integration plan, it is very critical to have: "*a commitment on the end state, a board sponsor.*", so the end state should be clear with a sponsor of the board or so called top manager. This director added: "*the question is simple, but the answer is rather complex in most of these cases, what is the right level of integration at what point in time*".

4.2.2. Post-acquisition speed of integration

For post-acquisition speed of integration, two specific themes are recognized: 1) structured integration and predictability and 2) employee wellbeing.

Table 7: Pattern for dimension Post-acquisition speed of integration

Dimension	Speed of Integration			
Theme	**Times mentioned**	**%**	**Total %**	**Quotes**
Structured integration and predictability	45	6%	14%	"*which part of this company has to be integrated very fast and which parts can be leave alone. That's something we do not make conscious choices there* "
Employee wellbeing	52	7%		"*first priority is to keep all the people on board* "

<u>Structured integration and predictability</u>

A stepwise and structured integration will have a positive influence on the predictability of post-acquisition integration process. In the majority of all the interviews it was said that the integrations were done stepwise to prevent that employees of the acquired firm would leave. A director said: *"the speed of integration was also, there was one criteria was to secure the people*". A director said the following: "*how fast you can get people to the orange color*", which is the color of the parent firm. One director said something different and do the human integration fast: "*the higher the speed, the sooner you can have all the benefits and people stay on board and learn, the new company and get the mindset of the new company*".

The integration of the human part will have a different pace than the integration of tasks and you have to find the balance. A director recognized that those have a diferent speed and answered as follows: "*Yeah, absolutely. Absolutely"*.

Another topic was the independency of the acquired firm. An integration manager said: *"So the speed is driven by how self-supporting such an organization is and doing their business without being integrated. Later on, we can integrate it*". Next to this, the integration manager said: "*it depends on how mature this company is, how self-supporting it is and how easy can work together. And add value already without being integrated, fully integrated.*" Find the balance in what should be integrated fast and what can be done later, that is not always easy to execute, as an integration manager said: *"which part of this company we feel has to be integrated very fast and which parts can be leave alone. That's something we do not make conscious choices there*".

Sometimes it seems that the parent firm want to go too fast with integrating parts and then the acquired firm get lost. This was stated by a board member: "*that is more in timing than in the intent. If the change is big for the company you acquire, you can not do that overnight. So it just takes time*". In line with this, a board member said: "*Don't try to embed all our processes and models too fast to those companies because they can be quite heavy, therefore killing an entrepreneurial spirit to culture of such".*

Finding the right integration speed is especially important when a start-up firm is acquired. A start-up can do things fast, like developments, as they often have less procedures, less strict governance model and an entrepreneurial behavior. If you integrate this type of companies too fast in more corporate firm, then that can have negative impact on the developments of that start-up. A former owner said: "*when you acquire a small company, gives them more time before you start the entire integration process*". A former owner added to this, when the start-up grows and reach a certain turnover: "*then you have to have specific processes. And that might be a good idea then to follow the entire process of the 'the parent firm' concern*", but you should not do it from the beginning.

One interviewee stated that the parent firm always has to look to the situation of the acquired firm. When a firm, for instance, is almost bankrupt, then the most important thing for people of the acquired firm in general is maybe to keep their job and then you can do a faster integration if necessary. So therefore an integration manager said:

> *That's the only way that you keep having your job. There is the right moment to make such a bigger change, right. From day one. although that's also not that easy as it sounds, but, there is different, there are different situations*.

The speed of integration should be adjusted to the circumstances of the acquiring and acquired firm.

<u>Employee wellbeing</u>
Culture is often discussed as something that has to be taken care of during the post-acquisition integration. The parent firm of this research has it's roots in the Netherlands and three acquisitions were done in Germany and one was done in Canada. A consultant said: *"from my experience, culture and change is difficult. You could have an understanding, but, how do you really make it successful?*".

It is always about finding the right speed to integrate a firm and in relation to culture. A director said: *"'Case 1" is a very special company, cultural wise, it's small, relatively small company, somewhere in the middle of Germany.*" and this director believe that the integration in essence was too slow, as he said: "*So they have prevented that very carefully, but to my opinion too much*".

While a director about case 4 said: *"The culture fit was really good*", and maybe that is because the parent firm, as this director said: "*gone through a lot of growth pains and, it started out as a family run business*", and so there were a lot of similarities with the acquired firm as this director stated and then added: *"there was frustration over time in the first year, but never from a cultural standpoint. And I think that made a big difference. I think that, culture is very important, when you look at acquisitions"*.

A director said about case 3, where the integration was done by German customer center: *"the Germans have done a German integration. It's a culture with the understanding, with the words between the lines. So there was not no big miscommunication*".

Next to the culture there is another important aspect to take care of during the integration. That is the identification and dependency of critical resources, for instance the social capital. Especially with software companies, like in case 3, the software developers are often a critical resource as they do the coding of software. A board member said: "*in order securing these critical resources, we acquired this company*". For case 2 the former owner was identified as critical resource and one of the reasons to do that acquisition but a director said: *"the interesting thing of 'case 2' is that, the owner is not on the payroll anymore, so that he's only be hiring him as a consultant while I think he's one of the critical knowledge owners*". This former owner left the parent firm due to a conflict in the relation with his manager but will be discussed in more detail in theme top management involvement.

In case 4, when the parent firm decided to enter a new market area on airports and they didn't have the knowledge, as a consultant said: *"the key was to retain the key staff and managers ensure that you keep the relation towards go to market and then ensure that the growth and the revenue synergies is achieved.*"

Next to the critical resources, with the acquisitions of the relative small firms, there was the priority to keep the people on board, in addition to the critical resources. When the director became responsible for case 1, this director said: "*first priority is to keep all the people on board*". For case 1 it was important to keep the people on board as one director said: "*because basically what 'the parent firm' bought was, were the resources, the knowledge*" and added that the parent firm knew:

> *The products that we have had work really badly documented. So that means there was not a, you could find the drawings of things somewhere, but not the core know-how, was not brought on paper. That means basically what was bought was the knowledge of the existing staff of people*.

A consultant said about case 3: "*it felt it was a kind of family business. So, the first step was just to keep the family in the family house*". Otherwise, the knowledge and skills would be lost.

One approach to keep the people on board and get the buy-in, according an integration manager is to "e*xplain why this integration is needed. Having a good story there. Why, it is necessary. I think that's very crucial in everything.*". A director said: "*if you do not have a clear picture of their future, they might leave the company and go to some somebody else. But we were not interested in the company itself, but in the people and their knowledge*". Otherwise, especially when the knowledge is in the heads of the people that are acquired, a director said: "*It is at the end the people with the knowledge of the software, if you are losing them. It is for us, then you blows the money in the wind.*".

4.3. Top management effectiveness

For top management effectiveness, three specific themes are recognized: 1) strategic direction, 2) top management involvement and 3) integration end state.

Table 8: Pattern for dimension Top management effectiveness

Dimension	Top Management Effectiveness			
Theme	**Times mentioned**	**%**	**Total %**	**Quotes**
Strategic direction	54	8%	25%	"*every night, 73 planes land and go worldwide. And this Mickey Mouse company has done the software* "
Top Management Involvement	76	11%		"*I think we do not organize that well enough* "
Integration end state	48	7%		"*There was no defined end stage of integration* "

Strategic direction.

The parent firm has a prefixed guideline (document D07) for doing acquisitions to realize their strategy. Several reasons may come in to play. One of the reasons to acquire another firm can be given in by buying technology or capabilities. The guideline also states when the parent firm does not acquire a firm, the director gave the following example: "*preventing competition coming into the market*". This director added: "*it's more focused on growth, these type of things, so that is then technology capacity or a specific capability*".

Case 1 was acquired according document D18: "*This acquisition is of strategic importance … This will further strengthen the positioning of 'the parent firm' as an integrated player with a full product portfolio for the Distribution market.*". Next to this was the intention of the parent firm to get more grip on 'case 1' as there were sometimes discussions with the owner about projects, where case 1 was a subcontractor. A director said: "*he was the owner of the company. So the whole company was so to say his baby and he, of course, defended whatever was possible. And that was not always in the interest of the overall project*".

For case 2 a board member said: "*in the general merchandise and fashion industry, we saw more and more pockets solutions coming up*" and therefore logical to move into that strategic direction. Due to a good personal relationship between the owner and one of the top managers of the parent firm, the former owner, said: "I liked this guy really nice guy". So, the parent firm got the opportunity to acquire the firm, and so a board member said: "*we could buy basically a strategic piece of equipment, which is definitely part of our market leading solutions and therefore essential*".

Case 3 was a combination of reasons to acquire that firm. One reason that one of the key customers of the parent firm was depending on the software of this company. A director said: "*The main reason was to mitigate the risks against our key customer. And if 'case 3' was bankrupt in the future, because or maybe our competitors buy 'case 3'. That was for us a catastrophe it that would happen*". A director said it in almost the same words about the key customer: "*every night, 73 planes land and go worldwide. And this Mickey Mouse company has done the software. Just imagine something happens*". This director added: "*the owner, in terms of age, wanted to sell the company, wanted to retire.*". Therefore, the parent firm decided to acquire this company because the dependency and risk became too big. In this way, a board member said: "*adding critical resources, people to 'the parent firm' … adding to your employee base.*".

To acquire case 4 from a strategic perspective was clear, as a director said: "*there was a strong appetite for 'the parent firm' to expand its portfolio beyond baggage handling*". In this case it was really adding something new to the portfolio as a board member said: "*It was adding something to our portfolio to add, or to enter what a board member would call the above the wing markets on airports.*". In other words, a consultant said: "*it's more revenue, synergy, and growth, entering new markets and new products*".

To summarize, by using the words of a board member: "*We are strategic buyer. So, we have a strategy as a company, and sometimes the best way to realize your strategic goals is to buy instead of build*".

There were some notes about 'stick to the plan' in executing the strategy. Case 1 was given as example where the discussion now and then is initiated again. It is about should case 1 still have their own customers or not, so outside the parent firm. The statement is that when the utilization goes down. Case 1 start offering their own projects and in this way the parent firm can not sell the bigger projects as the resources are occupied. A director said: "*it would be much better for 'the parent firm'. If there was a clear statement … this is a task the next three years, and we are not going to change it*".

Providing direction by top management was mainly regarding clear ownership. A director said: "*there is a big discussion on the ownership who owns the acquisition to make that successful*" as this is not always clear. An integration manager said: "*I think we do not organize that well enough, to be honest. Normally you could say it is a kind of, let's say internal project with a project team and steering committee with top management guiding it*".

<u>Top Management Involvement</u>
In the pre-acquisition phase with a potential candidate, there is involvement of the supervisory board and the board/top management. When the acquisition is signed, then a director said: "*After decision making and then the board, the specific board owner is relatively working on itself to get it included*".

For case 4 the responsible board member provided every month a status update to the board, as a director said: " *he reported every month briefly, but he did report on the status of integration to the total board during his business unit updates*", but this director added, that there was something that could be improved: "*in the valuation of these target, you also have to think of a business case. So how much are you going to sell, so some numbers in the beginning, there was no progress of reporting on that*". In this way the top management involvement can be increased. A director said that this report was added later:

> *It was quite an important report to see successfulness of that acquisition. And because it has to bring business it's, if it's not bringing the business, then it's a little bit waste of money, but that was later in time included, that was an important measure.*

In this post-acquisition integration of case 4, the board (top management team) was not that highly involved except two or three top managers, a board member said: "*the board was not deeply involved*".

Involvement can also be to decide not to be involved as a director said: "*Top management, the role is in my opinion, super important. And even if the top management decides I'm not getting involved to disturbs efficiency, this is already an involvement not to be involved.*". This can be the case if an acquisition is relative small and will be integrated locally. This was the case with case 3, a consultant said: "*we approached it is that we, especially the manager involved from 'the parent firm' Germany and the HR lady*". As this worked out for case 3 well. The other acquisitions were not perceived as easy integrations and sometimes lacking top management involvement. A consultant said: "*I think that generally it came very much back to that the acquisition was just put back to the line and no visibility anymore*". The explanation was given to keep alignment during the post-acquisition integration with some kind of steering committee, like a consultant said: "*To make sure that you keep a kind of alignment with senior management and the board as well*". This description was also given by a board member: "*making sure we were on what we thought was* *on track. But as I said, there were still gaps in the process for sure*. A board member said: "*that has to do, I think with senior management attention. Really make it an agenda point of a senior management manager who has this responsibility and has to report on it*".

Not every acquisition will require the same attention, as a board member said: "*bigger acquisition might require more time then a smaller one, like 'case 3' could be that just the one pager update, if everything is green it's okay*".

The top managers can have a role in contributing to have the resources available to do the post-acquisition integration, as a board member said:

> *So in other words, we have a nice plan, but at the end we don't are not willing to free up the resources or don't give it the right priority. And as a consequence, I think no deadline has been met*.

Several interviewees referred to how top managers address their differences towards the outside of the boardroom. A director refers to this process: "*I think to have a very effective integration, at least the board should speak one language and it can have different opinions, but to the outside it should be one voice*". Different views between a business unit manager and others might result in unclarity to the rest of the organization. Especially when one of the top managers left the company and the successor did have a different view on the integration of case 2, a director said: "*You have a big dilemma, of course, that's not working when, the board is not aligned there*". Also a director had this experience with case 1: "*the top management or the board in 'the parent firm', we felt that there are different opinions"*.

A director said about case 1: "*the management board was not always on the same level on decisions. So the effectiveness was not that high.*" but this director added that it is maybe not about different views but more about not having a clear end state: "*the plan was not that the board was not on the same page. There was not really clear understanding on the end stage so is not really working*".

A board member said: "*That's also the role of the board is to have those debates, to have a very strong, healthy level of conflict and find a good resolution*" but this board member also said: "*I think what we can be more explicit in what that means.*". Another board member said: "*And at the end we find consensus in the way forward*", but this board member added: "*The only topic you really could ask is to what detail have has that been discussed really in the board and should we have paid more attention to go in depth and really understand, what's the plan behind it*". Then the question is maybe, how the rest of the organization perceives it.

During the interviews the topic of personal relationships and the impact on the post-acquisition integration were mentioned several times. In case 2 the former owner did have a good relationship with the person who initiated the acquisition from a parent firm perspective. One director said about this relation: "*perfect fit. That was really relation*" but the successor in the parent firm, the director said: "*created a lot of frustration and means a lot of a waste of energy and therefore I think that integration went not good*". The consequence at the end was that this former owner left the parent firm, while this person was identified as one of the critical resources. The successor ultimately also left the company and a director said, after speaking to the former owner: "*if this decision would have come earlier, I would still work with the parent firm*".

Trust to do an acquisition seems to be mandatory, at least with this type of firms, like a director said about case 1: "'the former owner' *was more a guy of relation and trust*". First attempt to acquire case 1 didn't work out as the trust was lacking and later it was initiated with different people of the parent firm, this director said: "*We had that trust*".

In case 2, trust was gone, a director said: "*then the board member changed and everything became different*", resulting in "*really jeopardize the trust of the people and of the owner*".

Also during the post-acquisition integration process itself, trust seems to be important, like a director said for case 1: "*it was also a good point that the integration director learned very fast German and could talk to the employees in the mother tongue that gave trust*". Also, in case 3 this was recognized to give trust to the acquired people, a director said: "*I was there to give trust*".

Integration end state

During the interviews a pattern became visible that the end state of the post-acquisition integration was not always clear. A director said: "*it's not very wise to define the end state during the process. It's better to have that at the beginning. Because then you know, what the change impact will be*". Without having a clear end state, the organization doesn't know, the level of integration, reporting lines, what will be done locally or centrally, and so a director said: "*if that's not clear, then that's quite a struggle for the integration manager, I think because he will have a lot of discussions*".

Case 1 caused often unclarity and a director said: "*There was not really clear understanding on the end stage so is not really working.*". Also, another director recognize that for case 2 that the end state is still part of discussion. This director said: "*They discuss it still and that's for me, not a success*". A board member added regarding the end state that if was often very financial orientated: "*So all very financial legal with milestones*".

A board member has a slightly different opinion: ""*These discussions have been made from the start from already in the post acquisition plan, completely clear.*" and added: "*What our people do, they start discussing it. That's what you hear.*".

A clear definition of successful will contribute to understand how successful the acquisition integration is at the end. The explanation was that there is not a clear definition of successful. A director said: "*mainly by the feedback from the customer centers*" and next to this "*also on the EBIT target to these type of things order intake, turn over and profitability*". That was the definition of being successful.

A board member said about case 1: "*we said, you do need to post acquisition manager and preferably there's also the one who suffers if the post acquisition is not successful*", and together with the post-acquisition integration plan, this board member added: "*if you do not have that, you shouldn't never, ever acquire because then it will be a disaster. So that success factor was in place with a plan*".

There is no consensus that the success factor was always clear, it seems sometimes a bit more complicated and success isn't reached that easy. A board member said: "*we had a business case, a business plan, but in all cases, business plans were not met*". Another board member also has this view: "*knowing if you look at the ambition we have when we bought it and where we are today, and then I think we only can conclude that all acquisitions didn't bring as much as we expected*". This board member added that you cannot simple state that all those acquisitions were unsuccessful. "*it didn't bring what we thought but it was not so bad that we had to depreciate*".

Defining success is a broad question and a consultant said: "*The question is, what do you define when you define success?*"

Another view on successful integration was given by a director for case 1, that without acquiring this acquired firm we wouldn't be able to quote on 'big' projects: "*Without 'case 1' that was impossible*". A director said for case 4: "*I think we've been able to contribute significantly to the business now*". A board member agrees with this: "*I have to be brutally honest, delayed success*" and this board member added for case 4: "*as an acquisition strategically, yes, financially, we're still proving ourself.*".

One board member concluded: "*That is one of the main lessons learned. We have to be much more disciplined to plan the post-acquisition phase:, how we want to integrate the company, what the post acquisition plan looks like.*"

5. DISCUSSION AND CONCLUSION

Overall, this study demonstrates that: First, achieving synergy is not the main reason to do an acquisition. Second, the need for attention of cultural differences between the acquiring and acquired firms. Third, what the influence is of firm size difference between the acquiring and acquired firm on reaching synergy. Finally, the role of top management during the post-acquisition integration.

The aim of this research is to advance our theoretical and practical knowledge on how the post-acquisition speed and level of integration influence the creation of synergy in post-acquisition processes, and to what extent top management effectiveness effects this relationship. And despite the huge amount of academic knowledge concerning post-acquisition integration and synergy in different fields and different settings, further research on how these concepts work and interact with each other brings a deeper understanding on the matter. A comprehension that not only contributes to the academic relevance of the subject but one that also advances the practical side of doing strategic business in the field of acquisitions.

A multiple-case study was used in order to answer the main question of this thesis. A multiple case study in one firm with, and with four acquisitions. The results of these 4 cases were compared, with knowing that the four cases had all different characteristics (e.g. firm size, type of firm, location).

For all the four acquisition cases it became clear that the post-acquisition integration is not a homogeneous phenomenon. The data reveals that the post-acquisition integration should be more extensively prepared by, for example, defining the characteristics and success criteria for each acquisition and draw up the appropriate post-acquisition integration plan for this otherwise the creation of synergy will not be maximized.

This study shows that synergy creation was not the main reason to do the acquisitions, in these four cases. Instead of measuring the degree of achieved synergy, performance of the acquisition integration seems to be more relevant on measuring the success of the acquisition. The challenge at hand the becomes that the success criteria are not always that clear in advance. This approach, as the data shows, could have consequences for an objective measurement standard. In this respect, the analysis of the data shows that the outcome on this subject in line with existing literature, which shows that measuring acquisition success is elusive (Bauer & Matzler, 2014).

In this study the effect of top management effectiveness has also been a topic of research in the creation of synergy. The analysis of the data shows that, during the post-acquisition integration, assigning clear ownership and defining a communication plan are elements that will influence reaching acquisition synergy in a positive way.

Prior academic literature suggested that a huge driver for doing acquisitions is synergy (Fiorentino & Garzella, 2015). The results from this study do not confirm that synergy is one of the main drivers to do acquisitions. In the four cases, the acquisitions are done for different reasons then for reaching synergy.

Two acquisitions were done as the owner of those firms expressed their intention to retire. The parent firm was afraid to lose those essential elements, as part of their solutions, to competitors. Therefore, the parent firm did a defensive acquisition to mitigate the risk of losing control of the firms. In the literature there is research available about retirement but that is related to owner-managed firms and its succession planning (e.g. Stavrou, 2003). Therefore, the acquisition reason in this research is more about adding essential elements to the portfolio to secure continuity but driven by the retirement of the owner. So, an acquiring firm seems not always be in the lead to find the perfect candidate to reach the strategic goals of the firm. There seem to be situations, where an acquiring firm must react instead of being in the lead for executing the acquisition strategy.

The data also reveals a pattern wherein post-acquisition integration is not measured on the amount of synergy but moreover on how successful the acquisition is personally perceived by the interviewees. In the academic literature several studies have been conducted on the key drivers of successful and failed acquisitions (Renneboog & Vansteenkiste, 2019; Steigenberger, 2017). In the light of this, this research is in line with existing evidence of Epstein (2005), "*the analysis of the causes of failure has often been shallow and the measures of success weak*". According to the interviewees, there seems to be a lack of criteria and clear definitions of what success is. The interviewees took different stand on the matter, and consequently perceives success differently. It can be stated that that perception of success is intertwined with as persons position in the firm. Few interviewees review success in relation to the financials (e.g. business case, annual plans). Others approached it more from a sales perspective (e.g. how often sold). In line with the literature, there is evidence that there is not one single success factor to define the success of acquisitions but it is a combination constructs (Bauer & Matzler, 2014).

In this study, the success criteria do not always seem to be clear and it can, therefore be difficult to define the preferred speed and level of integration. Overall, the interviewees stated that it is not a simple task to measure the amount of success that is achieved. This could be related to a lack of goal clarity before and also during the post-acquisition integration, which for employees can lead to uncertainty and for the firm in general a lower performance than anticipated (Nemanich & Keller, 2007). On the other hand, the findings also showed that – in the four cases - there was a lot of attention for the employees and its culture of the acquired firm.

According to the interviewees, culture is most important factor in defining the speed of integration. In academic literature, the two-phased process of human integration and the task integration resulted in an effective integration (Birkinshaw et al., 2000) but on the other hand, it was discovered that the human part of the integration is more unique and tacit (Bauer et al., 2016). Next to this, to create and transfer knowledge, you need to build trust and cooperation which takes time but are important factors to establish organizational advantage (Nahapiet & Ghoshal, 1998). The acquisitions are not all seen that successful according the explanation of the interviewees, as in two acquisitions, the firms were kept too long completely in isolation and by doing so, a successful post-acquisition integration was lacking or delayed. In other words, there was too much risk avoidance to prevent a cultural clash during the integration.

In one of the cases, a domestic acquisition, the post-acquisition integration ran smoothly for both human integration (e.g. culture) and task integration. In all other cases due to cross-border integration (e.g. different cultures), the challenges in reaching synergy were much more complicated. The post-acquisition integration is crucial but becomes more complicated when there are more elements in defining the right speed and level of integration. Studies on this effect of national culture distance show mixed results. However, but it is argued that it depends on the level of post-acquisition integration (Slangen, 2006). This study recognizes the pattern that it depends on the level of integration and its findings of the present study are therefore in line with the existing literature.

Another element in consideration, is that the focus was to keep the people on board as they have the knowledge in their heads. A brain drain, when people with essential knowledge and skills leave the organization, it presents a major risk to the achievement of the initial goals of the acquisition. The data shows that the departure of these essential human resources damages the firm and that the ability to keep them on board can be related to their concerns regarding the loss of autonomy or job security (Napier, 1989). This concern around employees is confirmed in this study and the parent firm acted on it during the post-acquisition integration, where potential synergies (e.g. integrating software of the parent firm) were accepted to be delayed. As stated earlier, synergies were not the main reason to do an acquisition. The focus was on keeping the knowledge, which was in the head of the acquired employees, on board. Previous research discovered that with acquiring knowledge-based resources (e.g. employees), the post-acquisition integration is the main reason for not maximizing synergy and to improve this requires integration capacity (Lamont et al., 2019).

This paper advances our knowledge in understanding how speed and level of integration influences the post-acquisition integration process. One of the elements that influences those concepts, is the type of firm to acquire. This research shows that the differences in firm size of the acquiring and acquired firm influences the post-acquisition integration approach in different ways, together with the characteristics of the acquired firms. The acquired firms were used to have an entrepreneurial spirit, creativity and flexibility. The parent firm is a corporate with processes, procedures and approval levels. All the four investigated cases were relatively small with a maximum of 100 employees. A startup firm should be handled in a way that it doesn't lose the entrepreneurial spirit when it is absorbed in the parent firm. In two cases the acquired firm was a startup. During the post-acquisition integration, they were directed to implement the way of working of the parent firm. While preparing the post-acquisition integration plan, these types of elements (e.g. entrepreneurial spirit and creativity) should be considered in defining the desired level and speed of integration, in reaching the synergies aimed for or a successful acquisition. There are significant challenges when firms try to manage and to find a balance between a process driven organization and an entrepreneurial style of firm (Govindarajan & Trimble, 2005). The study findings show that those contrasting type of element are neglected during the post-acquisition integrations. While potentially this could have contributed to increase the success of those type of acquisitions.

The final element is the effectiveness of the top management team. A couple of factors to highlight during the post-acquisition integration phase is the involvement of top management, the communication and ownership of the post-acquisition integration phase.

Top management involvement during the post-acquisition integration is only clearly recognized in one of the four investigated cases. In all the other cases it is recognized that after signing the acquisition deal, the focus of top management was less. Whilst top management involvement can significantly contribute (e.g. give strategic direction) to the overall success of the acquisitions (Gomes et al., 2013).

The findings are a bit mixed as not every interviewee recognized the potential lack of involvement by top management. One of the potential reasons is the way of communication. Findings show that sometimes there is perceived a lack of communication for providing direction and progress about the post-acquisition integration. Previous academic research found that communication is an important factor during post-acquisition integrations (Steigenberger, 2017). Part of the communication should be steering the post-acquisition integration alignment (e.g.

expectations and progress monitoring). This alignment must take place between top management, but also with integration management and the rest of the firm.

As the parent firm doesn't do many acquisitions, there is not a dedicated team to do the post-acquisition, so employees with different roles are assigned to take part in the post-acquisition integration. Pritchett (1997) suggests that post-acquisition integration failures are caused by deficient management and that it is crucial that the leadership team can identify and execute the needed changes. By not doing so, top management effectiveness can be compromised (Haspeslagh & Jemison, 1991). A lack of clear ownership during the post-acquisition integration is one of the findings. In addition, findings show, and this may not be on purpose, but top management members can have different motives (e.g. financial and sales) and unclear expectations.

5.1. Limitations

There are several limitations that should be considered for this research. First, this research has been executed within one firm located in the Netherlands whereby three acquisitions were done in Germany and one in Canada. This could have an implication on the generalizability of the conclusions.

The design of the research is cross-sectional, where the four acquisitions were relatively small with a maximum of 100 employees and were done in different years, so this could have an impact on the conclusions. As the acquired firms were relatively small, a reoccurring element was the potential loss of the entrepreneurial spirit, which is a characteristic of startups. Also, this can have an implication on the generalizability of the conclusions.

For future studies our recommendation is to use a longitudinal approach. This study, with its cross-sectional approach, focused on four acquisitions that took place in different years and this can have implications on the results.

Second, the goal of this research is to get a further understanding of the concepts speed and level of integration and top management effectiveness on the creation of synergy. Within business administration there will be other factors that can have an influence on the creation of synergy and those are not considered during the research. One factor to mention is the impact of culture distance between domestic and cross-border acquisitions.

Third, this study has been established with care but nevertheless, the risk remains that the interviewees may have made an incorrect assessment over time.

To better understand the implications of the results of this study, where the post-acquisition integration is more complex due to the different characteristics of each acquisition. The factors determining an acquisition success are still not well understood. Future studies could address how to measure acquisition synergy in a better way.

For acquisitions whereby a startup firm is involved it remains essential to investigate how to integrate those in a more corporate type of firm. Future research may try to get a better understanding on those mechanisms and in this way not to lose some important characteristics (e.g. entrepreneurial spirit) of that firm.

5.2. Managerial implications

The study findings also have important implications for managers in the field of acquisitions. An important finding is that clear guidelines – in advance - and an acquisition manual could contribute to the measurement of success of the acquisitions. Although clear guidelines and manuals could contribute to the post-acquisition integration there should also be a certain amount of flexibility to be able to adjust the integration plan for the specific individual acquisition characteristics, as no acquisition is the same. It is preferred, when a corporate firm acquires a startup firm, not to lose the entrepreneurial spirit as they are important for this type of firms. The post-acquisition integration plan should be adjusted for this. Creating a learning environment is key to be able to transfer experience in learning and business opportunities. As the research shows, the idea of organizational learning is present, but the actual transference of experience into knowledge seems to be hard.

To conclude, improving the post-integration process depends on a multitude of factors. However, being able to be more in control over elements as clear strategic guidelines in advance and actively pursuing an organizational learning culture could contribute to the management of the post integration process.

REFERENCES

Ancona, D. G., & Nadler, D. a. (1989). Teamwork at the top : creating high performing executive teams. *Massachusetts Institute of Technology (MIT), Sloan School of Management, Working Papers*.

Angwin, D. N. (2004). Speed in M&A Integration: The first 100 days. *European Management Journal*, *22*(4), 418–430. https://doi.org/10.1016/j.emj.2004.06.005

Angwin, D. N., & Urs, U. (2014). The effect of routine amalgamations in post-acquisition integration performance- whether to Combine or Superimpose for synergy gains. *Advances in Mergers and Acquisitions*, *13*, 153–179.

Bauer, F., King, D., & Matzler, K. (2016). Speed of acquisition integration: Separating the role of human and task integration. *Scandinavian Journal of Management*, *32*(3), 150–165. https://doi.org/10.1016/j.scaman.2016.08.001

Bauer, F., & Matzler, K. (2014). Antedents of M&A success: The role of strategic complementary, cultural fit, and degree and speed of integration. *Strategic Management Journal*, *35*, 269–291. https://doi.org/10.1002/smj

Birkinshaw, J., Bresman, H., & Håkanson, L. (2000). Managing the Post-acquisition Integration Process: How the Human Iintegration and Task Integration Processes Interact to Foster Value Creation. *Journal of Management Studies*, *37*(3), 395–425. https://doi.org/10.1111/1467-6486.00186

Carmeli, A., Schaubroeck, J., & Tishler, A. (2011). How CEO empowering leadership shapes top management team processes: Implications for firm performance. *Leadership Quarterly*, *22*(2), 399–411. https://doi.org/10.1016/j.leaqua.2011.02.013

Castanias, R., & Helfat, C. E. (1991). Managerial resources and rents. *Journal of Management*, *17*(1), 155–171.

Chatterjee, S. (1986). Types of synergy and economic value: The impact of acquisitions on merging and rival firms. *Strategic Management Journal*, *7*(2), 119–139. https://doi.org/10.1002/smj.4250070203

Chatterjee, S. (2007). Why is synergy so difficult in mergers of related businesses? *Strategy and Leadership*, *35*(2), 46–52. https://doi.org/10.1108/10878570710734534

Datta, D. K. (1991). *Organizational Fit and Acquisition*. *12*(December 1989), 281–297.

De Hoogh, A. H. B., & Den Hartog, D. N. (2008). Ethical and despotic leadership, relationships with leader's social responsibility, top management team effectiveness and subordinates' optimism: A multi-method study. *Leadership Quarterly*, *19*(3), 297–311. https://doi.org/10.1016/j.leaqua.2008.03.002

Edmondson, A., Roberto, M., & Watkins, M. (2003). *a Dynamic Model of Top Management Team Effectiveness*. *14*(3), 297–325.

Eisenhardt, K. M. (1989). Building Theories from Case Study Research. *Academy of Management Review*, *14*(4), 532–550. https://doi.org/10.5465/amr.1989.4308385

Eisenhardt, K. M. (1991). Better Stories and Better Constructs : The Case for Rigor and Comparative Logic. *Academy of Management Journal*, *16*(3), 620–627. https://doi.org/10.1105/tpc.019349.Rolland

Ellis, K. M., Reus, T. H., Lamont, B. T., & Ranft, A. L. (2011). Transfer effects in large acquisitions: How sizespecific experience matters. *Academy of Management Journal*, *54*(6), 1261–1276.

Epstein, M. J. (2005). The determinants and evaluation of merger success. *Business Horizons*, *48*(1), 37–46. https://doi.org/10.1016/j.bushor.2004.10.001

Ficery, K., Herd, T., & Pursche, B. (2007). Where has all the synergy gone? the M&A puzzle. *Journal of Business Strategy*, *28*(5), 29–35. https://doi.org/10.1108/02756660710820802

Fiorentino, R., & Garzella, S. (2015). Synergy management pitfalls in mergers and acquisitions. *Management Decision*, *53*(7), 1469–1503. https://doi.org/10.1108/MD-12-2014-0692

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2012). Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods*, *16*(1), 15–31. https://doi.org/10.1177/1094428112452151

Glamuzina, M. (2015). Levels of leadership development and top management's effectiveness: Is there a clear-cut relationship? *Management (Croatia)*, *20*, 89–132.

Gomes, E., Angwin, D. N., Weber, Y., & yedidia Tarba, S. (2013). Critical success factors through the mergers and acquisitions process: revealing pre-and post-M&A connections for improved performance. *Thunderbird International Business Review*, *55*(1), 13–35. https://doi.org/10.1002/tie

Govindarajan, V., & Trimble, C. (2005). Organizational DNA for strategic innovation. *California Management Review*, *47*(3), 47–76.

Graebner, M. E., Heimeriks, K. H., Huy, Q. N., & Vaara, E. (2017). The process of postmerger integration: A review and agenda for future research. *Academy of Management Annals*, *11*(1), 1–32. https://doi.org/10.5465/annals.2014.0078

Haspeslagh, P. C., & Jemison, D. B. (1991). *Managing acquisitions : creating value through corporate renewal*. Free Press.

Heimeriks, K. H., Schijven, M., & Gates, S. (2012). Manifestations of higher-order routines: The underlying mechanisms of deliberate learning in the context of postacquisition integration. *Academy of Management Journal*, *55*(3), 703–726. https://doi.org/10.5465/amj.2009.0572

Homburg, C., & Bucerius, M. (2006). Is speed of integration really a success factor of mergers and acquisitions? An analysis of the role of internal and external relatedness. *Strategic Management Journal*, *27*(4), 347–367. https://doi.org/10.1002/smj.520

Jemison, D. B., & Sitkin, S. B. (1986a). Acquisitions: the process can be a problem. *Harvard Business Review*, *64*(2), 107–110. https://doi.org/10.2307/1335358

Jemison, D. B., & Sitkin, S. B. (1986b). Corporate Acquisitions : A Process Perspective. *The Academy of Management Review*, *11*(1), 145–163.

Junni, P., & Sarala, R. M. (2014). *The role of leadership in mergers and acquisitions: A review of recent empirical studies*. *13*, 181–200.

Kim, J.-Y., & Finkelstein, S. (2009). The effects of strategic and market complementarity on acquisition performance: Evidence from the U.S. commercial banking industry, 1989–2001. *Strategic Management Journal*, *30*(6), 617–646. https://doi.org/10.1002/smj

Krishnan, H. A., Miller, A., & Judge, W. Q. (1997). Diversification and top management team complementarity: Is performance improved by merging similar or dissimilar teams? *Strategic Management Journal*, *18*(5), 361–374. https://doi.org/10.1002/(SICI)1097-0266(199705)18:5<361::AID-SMJ866>3.0.CO;2-L

Lamont, B. T., King, D. R., Maslach, D. J., Schwerdtfeger, M., & Tienari, J. (2019). Integration capacity and knowledge-based acquisition performance. *R and D Management*, *49*(1), 103–114. https://doi.org/10.1111/radm.12336

Langley, A., Smallman, C., Tsoukas, H., & Van De Ven, A. H. (2013). Process studies of change in organization and management: Unveiling temporality, activity, and flow. *Academy of Management Journal*, *56*(1), 1–13. https://doi.org/10.5465/amj.2013.4001

Larsson, R., & Finkelstein, S. (1999). Integrating Strategic, Organizational, and Human Resource Perspectives on Mergers and Acquisitions: A Case Survey of Synergy Realization. *Organization Science*, *10*(1), 1–26. https://doi.org/10.1287/orsc.10.1.1

Lubatkin, M. (1983). Mergers and the Performance of the Acquiring Firm. *Academy of Management Review*, *8*(2), 218–225. https://doi.org/10.5465/amr.1983.4284724

Mason, M. (2010). Sample size and saturation in PhD studies using qualitative interviews. *Forum Qualitative Sozialforschung*, *11*(3). https://doi.org/10.17169/fqs-11.3.1428

Meglio, O., King, D. R., & Risberg, A. (2017). Speed in acquisitions: A managerial framework. *Business*

Horizons, *60*(3), 415–425. https://doi.org/10.1016/j.bushor.2016.12.004

Nahapiet, J., & Ghoshal, S. (1998). Social Capital , Intellectual Capital , and the Organizational Advantage Author (s): Janine Nahapiet and Sumantra Ghoshal Source : The Academy of Management Review , Vol . 23 , No . 2 (Apr ., 1998), pp . 242-266 Published by : Academy of Management St. *The Academy of Management Review*, *23*(2), 242–266.

Napier, N. K. (1989). Human Resource Issues and Outcomes: A Review and Suggested Typology. *Journal of Management Studies*, *26*(3), 271–290.

Nemanich, L. A., & Keller, R. T. (2007). Transformational leadership in an acquisition: A field study of employees. *Leadership Quarterly*, *18*(1), 49–68. https://doi.org/10.1016/j.leaqua.2006.11.003

Pritchett, P. (1997). *After the merger: The authoritative guide for integration success*. McGraw Hill Professional.

Qudaiby, B. Al, & Khan, M. R. (2013). Financial synergy in mergers and acquisitions. Evidence from Saudi Arabia. *Finance: Challenges of the Future*, *15*(2013), 181–192. https://doi.org/10.5605/ieb.9.8

Ranft, A. L., & Lord, M. D. (2002). Acquiring new technologies and capabilities: A grounded model of acquisition implementation. *Organization Science*, *13*(4), 420–441. https://doi.org/10.1287/orsc.13.4.420.2952

Renneboog, L., & Vansteenkiste, C. (2019). Failure and success in mergers and acquisitions. *Journal of Corporate Finance*, *58*(July), 650–699. https://doi.org/10.1016/j.jcorpfin.2019.07.010

Rouzies, A., Colman, H. L., & Angwin, D. N. (2019). Recasting the dynamics of post-acquisition integration: An embeddedness perspective. *Long Range Planning*, *52*(2), 271–282. https://doi.org/10.1016/j.lrp.2018.03.003

Savovic, S. (2012). *The importance of post-acquisition integration for value creation and success of mergers and acquisitions*. *14*(3), 195–207. https://doi.org/10.5937/ekonhor1203193S

Seth, A. (1990). Value creation in acquisitions: A re-examination of performance issues. *Strategic Management Journal*, *11*(2), 99–115. https://doi.org/10.1002/smj.4250110203

Sirower, M. L. (1997). *The synergy trap: How companies lose the acquisition game*. Simon and Schuster.

Slangen, A. H. L. (2006). National cultural distance and initial foreign acquisition performance: The moderating effect of integration. *Journal of World Business*, *41*(2), 161–170. https://doi.org/10.1016/j.jwb.2006.01.003

Stavrou, E. T. (2003). Leadership Succession in Ownermanaged Firms through the Lens of Extraversion. *International Small Business Journal*, *21*(3), 331–347. https://doi.org/10.1177/02662426030214004

Steigenberger, N. (2017). The Challenge of Integration: A Review of the M&A Integration Literature. *International Journal of Management Reviews*, *19*(4), 408–431. https://doi.org/10.1111/ijmr.12099

Teerikangas, S., & Thanos, I. C. (2018). Looking into the ‘black box’ – unlocking the effect of integration on acquisition performance. *European Management Journal*, *36*(3), 366–380. https://doi.org/10.1016/j.emj.2017.06.002

Unluer, S. (2012). Being an insider researcher. *The Qualitative Report*, *17*(58), 1–14. http://www.nova.edu/ssss/QR/QR17/unluer.pdf%0Ahttp://www.nova.edu/sss/QR/QR17/unluer.pdf

Uzelac, B., Bauer, F., Matzler, K., & Waschak, M. (2016). The moderating effects of decision-making preferences on M&A integration speed and performance. *International Journal of Human Resource Management*, *27*(20), 2436–2460. https://doi.org/10.1080/09585192.2015.1116457

Varila, M., Seppänen, M., & Heinonen, E. (2005). Effects of Automation on Cost Accounting: A Case Study in Warehouse Logistics. *Proceedings of 7th Conference on Manufacturing Accounting Research*, *JANUARY 2005*, 1–15. https://www.researchgate.net/publication/228683813

Vasilaki, A. (2011). Culture distance and cross-border acquisition performance: The moderating effect of transformational leadership. *European Journal of International Management*, *5*(4), 394–412. https://doi.org/10.1504/EJIM.2011.040912

Vasilaki, A., & O'Regan, N. (2008). Enhancing post-acquisition organisational performance: The role of the top management team. *Team Performance Management*, *14*(3–4), 134–145. https://doi.org/10.1108/13527590810883415

Weber, Y., Tarba, S. Y., & Bachar, Z. R. (2011). Mergers and acquisitions performance paradox: The mediating role of integration approach. *European Journal of International Management*, *5*(4), 373–393. https://doi.org/10.1504/EJIM.2011.040911

Zaheer, A., Castañer, X., & Souder, D. (2013). Synergy Sources, Target Autonomy, and Integration in Acquisitions. *Journal of Management*, *39*(3), 604–632. https://doi.org/10.1177/0149206311403152

APPENDIX 1: INTERVIEW QUESTIONS

1. Can you tell something about your role during the post-acquisition integration? Did you have previous acquisition experience? (In which acquisitions were you involved?)
2. What was the (strategic) goal or reason to do the acquisition?
    1. Was this based on reaching synergy?
3. To what extent was post-acquisition setup strategy already part of the pre-acquisition process?
    1. Where people and processes taken into account?
4. Was there a clear and committed plan to do the post-acquisition integration?
5. What was the approach to create synergy during the post-acquisition integration?
6. How was post-acquisition integration progress measured?
7. What were the key drivers to define the level of integration?
8. What were the key drivers to define the speed of integration?
    1. In your opinion, how does speed and level of integration relate?
9. What were the key problems/challenges to overcome during the post-acquisition integration?
10. Which role did top management effectiveness have during the post-acquisition integration? Effectiveness is about whether the intended goals are actually achieved.
11. What was a key learning during this post-acquisition integration?
12. Overall, was the acquisition successful?

APPENDIX 2: LIST OF CONSULTED DOCUMENTS FOR DESK RESEARCH

Doc. nr.	Desk Research Document
D7	General - 20141020 parent firm Acquisition Strategy - long version
D8	General - 20141027 parent firm Acquisition Strategy - short version.a
D9	General - 20160303 MA Strategy 10-03-2016
D10	Financial - parent firm Year Report FY2018
D11	Case 1 - 2012-04-03 Besuch Jan & Herman v01
D12	Case 1 - 2014-10 one Case 1 - transition path to full integration - decision
D13	Case 1 - Case 1 Business Plan - Targets
D14	Case 1 - hut op de berg jan 2012 v01 def
D15	Case 1 - SC Boost update wk 47 v01
D16	Case 1 - Strategic Value Proposal acquisition Case 1 14 June 2011
D17	Case 1 - Strategic Value Proposal acquisition Case 1 v03
D18	Case 1 - Vanderlande to acquire all shares of Case 1
D19	Case 3 - 20160407 Investment Proposal Case 3 v2
D20	Case 3 - 20160414 Non Binding Offer Proposal Case 3
D21	Case 3 - 20161205 Case 3 Binding Offer - Steering committee
D22	Case 3 - CC DE takes over Case 3
D23	Case 2 - Integration solution for Case 2 Agreed 26022018; status update 26032018
D24	Case 2 - Case 2 RvC Presentatie v2
D25	Case 4 - Integration model v2 DRAFT 17012017111
D26	Case 4 - Project Omega Steering Committee - progress v04072017
D27	Case 4 - Project Omega Works Council DRAFT v20042017 - one pager
D28	Financial - parent firm Annual Report 2011
D29	Financial - parent firm Annual Report 2012
D30	Financial - parent firm Annual Report 2013
D31	Financial - parent firm Annual Report 2014
D32	Financial - parent firm Annual Report CY2015
D33	Financial - parent firm Annual Report CY2016
D34	Financial - parent firm Annual Report FY2015

APPENDIX 3: DATA STRUCTURE

1st Order Concepts	2nd Order Themes	Aggregate Dimensions
• Acquisition business case • See the potential • Increasing the efficiency • Where comes the synergy from • Understanding how to grow	Strategic market relevance	Synergy
• Defensive acquisition • Afraid of being acquired by another firm • Mitigation of risk	Taking defensive market positioning	Synergy
• Buying of knowledge • Acquisition strengthen position • Access to products • Extending the portfolio	Securing end-to-end access	Synergy
• Taking ownership • Who is responsible for what • Team to do integration • Teamwork between two firms	Governing teams and ownership	Post-Acquisition Integration
• Creation of integration plan • The integration plan was not the clear • Preparation of the integration • Monitoring of progress	Managing and control progress	Post-Acquisition Integration
• Experience with doing integrations • Integration lessons learned • Mentality to learn	Organizational learning	Post-Acquisition Integration
• Fit of the two firms • Location of acquired firm in organisation • Differences small vs big company • Retain the entrepreneurial spirit • Keep rather stand alone instead of integration	Strategic fit	Level of Integration
• Importance of strategic fit • Define integration level • Define the integration approach • Execute the integration steps	Integration approach	Level of Integration
• To do integration stepwise • Slow integration process for startups • Acquiring a firm that is bankrupt	Structured integration and predictability	Speed of Integration
• Take care of the culture • Indentification of critical resources • Priority to keep people on board	Structured integration and predictability	Speed of Integration
• Reason to do acquisition • Follow the strategy • Top management focus on direction	Strategic direction	Top Management Effectiveness
• Top management involvement • Role of top managers • Top managers with different views • The influence of personal relationships • The importance of trust	Top Management Involvement	Top Management Effectiveness
• What is the integration end state • What is the definition of succesful • Integration is not seen as successful • Integration is seen as successful	Integration end state	Top Management Effectiveness