Mergers & acquisitions (M&As) are important strategic instruments, yet nearly half of all transactions fail, often resulting in disastrous write-offs and losses for corporations and financing institutions alike - despite promising prospects upfront. Applied research has been trying to find a “panacea” to prevent or at least predict M&A failure, investigating motives, synergies and performance. Despite the growing unease with the stationary explanatory models in literature, research has only marginally focused on the concept of time, with inquiries into market timing and integration speed. Yet other timing concepts have been neglected in concepts so far despite early empirical evidence for their existence. The purpose of this paper is thus to identify and elaborate on the importance of further relevant theories of timing. For this, and true to the exploratory nature of the topic, the authors have chosen a qualitative comparative case study design based on existing case reports which are investigated for narrations highlighting timing concepts. This study reveals six factors which have a crucial impact on the M&A outcome: time of acquisition, M&A duration in its entirety, M&A sequence, synergy chronology, frequency of acquisitions and time to step back. It contributes to theory and practice in outlining the careful attention that needs to be paid in planning in these factors to enhance the chances of a successful M&A transaction.

Keywords: M&A, success, timing concepts, process, synergy

Introduction

Mergers & acquisitions (henceforth M&As) activities are seen as an alternative way to grow (Rovit, Harding, & Lemire, 2004), especially in saturated markets. Such M&A activities are known to create turbulences in the respective markets, and in many cases fail to deliver on their promises. A plethora of inquiries into the factors for success and failure of M&As can be found in literature, amongst from Epstein (2005), Rovit et al. (2004), Das and Kapil (2012), and Angwin and Meadows (2015). However, their approaches are stationary in assuming that the importance of the various factors remains constant throughout the process. Taking a critical standpoint to existing literature, this paper explores the hitherto under-researched potential moderating factors based on concept of timing.

Generally, timing regarding M&As is primarily expressed in terms of integration speed (Angwin, 2004; Homburg & Bucerius, 2006), market timing (Shleifer & Vishny, 2003), and a limited time frame to execute the transaction (Angwin, 2004; Bert, MacDonald, & Herd, 2003). Herd and McManus (2012) mentioned briefly a
possible impact of the economic situation. Other possible interpretations of timing factors and their potential impact or moderating role on the success or failure of M&As seem to have been neglected so far - despite the fact that several acquisitions would point out early evidence that such other interpretations of timing may be necessary. For example, Sony Pictures acquisition of Columbia Pictures failed as the management was not able to deliver the necessary resources on time after closing. Pennsylvania and NY railroad merger ended in bankruptcy, mostly due to the fact that they did not plan integration in advance. AOL and Quaker Oats failed as synergies did not materialise within the expected timeframe (Bruner & Levitt, 2009; Rukstad & Collis, 2009).

Current literature seems to fail to advance M&A activities because of a “missing lens” on the dynamics of time, as no other concepts of timing than those mentioned before have been considered in predetermining or moderating the outcome of M&A transactions. Therefore, this paper sets out to identify and explore such additional concepts of timing and asks:

Which concepts of timing can be identified in existing case reports to have a crucial impact on the M&A process?

In order to answer this question, the following guiding questions are asked as follows:

1. How can timing concepts be identified from narrations in the cases?
2. Do the identified timing concepts determine or moderate the outcome of M&A transactions concerning their impact on synergies/on the M&A process/on M&A success?

In order to answer these questions, the authors collected existing detailed case reports dealing with past M&A transactions based on a purposive sampling strategy that looked at both the extreme and the general cases of success and failure. According to Denzin and Lincoln (2003), these case studies have then been investigated for codes pointing out timing concepts. The concepts arising from the literature review are used a-priori to support the identification of known timing concepts, but more importantly, inductive codes were carved out by an interpretative approach (Denzin & Lincoln, 2003) a-posteriori. Finally, the inductive codes were summarised into major themes and propositions.

Theoretical Background

Various definitions for M&As can be found in the literature as different authors and researchers try to describe this process. Sirower (1997) compared M&As with major R&D projects or plant expansions and defined them as capital budgeting decisions. Arguing from a resource-based view, he saw M&As simply as a purchase of assets and technologies. Bruner and Levitt (2009) differentiated between mergers and acquisitions: A merger is a consolidation of two corporations to create a new one, also known as fusion, characterised by the necessity for a new structure. An acquisition simply constitutes a purchase. Angwin (2004) stated that an acquisition is the purchase of a controlling interest of company A in company B. Ahern and Weston (2007) defined M&As as the purchase of entire companies or certain assets by another corporation. In more detail, they mentioned that M&As can be seen as a new combination of existing assets, where the new combination will be more productive. Other authors are arguing that regarding the economic impact of M&As, both terms can be used interchangeably, a differentiation is only needed for legal, accounting and tax issues (Bruner & Levitt, 2009). Yet in managerial language, M&A often is used as the “hyponym” for any kind of business transaction, thus Ahern and Weston (2007) argued that the umbrella M&A should include takeovers, tender offers, alliances, joint ventures, minority equity investments, licensing, divestitures, spin-offs, split-ups, carve-outs, leveraged buy-outs, reorganisations, restructuring, and re-contracting associated with financial distress and other adjustments (Ahern & Weston, 2007).
The history of the M&A market itself is characterised often by disastrous transactions: though initiated on promises of value creation through various synergies, these synergies never materialised and thus enormous write-offs were the consequence (Ficery, Herd, & Pursche, 2007). The acquisitions of Time Warner or Columbia Pictures by AOL or Sony Pictures are only a few examples of synergy driven transactions with failed promises.

M&As are a very complex and challenging research agenda. Epstein (2005) has identified several critical issues among the execution process of M&As, trying to focus corporations’ attention on these factors. Rovit et al. (2004) have developed certain key rules which in theory should increase the possibility of success. Especially, post-merger integration (henceforth PMI) has been extensively discussed in the literature. Angwin and Meadows (2015) tried to come up with a constant process for PMI activities as they saw no coherent solution in the previous theoretical approaches. However, a panacea against failure has yet to be found.

A large part of the literature tries to question the motives behind M&As (Barnes, 1998; Berkovitch & Narayanan, 1993; Bradley, Desai, & Kim, 1988; Gruca, Nath, & Mehra, 1997; Hodgkinson & Partington, 2008; Morck, Shleifer, & Vishny, 1990; Shleifer & Vishny, 1989; 2003; Trautwein, 1990). In the literature, it is possible to distinguish between motives which increase shareholder value and those which increase non-shareholder (stakeholder) value. Shareholders’ value-increasing motives are in general characterised by expecting synergies (Bradley et al., 1988) leading to higher efficiency and increased effectiveness. Trautwein (1990) and Sirower (1997) for example went so far and stated that the main motives for transactions are synergies. Trautwein (1990) has identified certain theories for merger motives: monopoly, raider valuation, empire building, process theory, and disturbance theory based on motives of merger waves. Further research has been necessary to identify more state of the art motives. As aforementioned, motives can be distinguished between value-increasing and non-value-increasing motives. Value-increasing motives are characterised by synergistic expectations by combining two different operations (Bradley et al., 1988). Further value enhancement could be caused by tax or cash benefits, but their importance is not as high as operational excellence (Auerbach & Reishus, 1988; Ghosh & Jain, 2000; Healy, Palepu, & Richard, 1992).

Yet at the same time, non-shareholder value-increasing motives have also been investigated in detail, revealing three major motives: agency theory, hubris, and market timing. Such motives can be factors predetermining the outcome of M&A transactions (Barnes, 1998; Moeller, Schlingemann, & Stulz, 2004; Roll, 1986; Shleifer & Vishny, 1989; Trautwein, 1990). Furthermore, Nguyen, Yung, and Qian (2012) investigated which motives are more salient when it comes to justifying a deal.

These motives are not justified rationally and do not result in shareholder value enhancements. Research has revealed three major misguided motives: Agency problems arise when managers try to exploit shareholders and are driven by personal interest. Managers are more interested in increasing the firm size than shareholder value due to managerial objectives (Morck et al., 1990). Hubris describes managers who overestimate themselves. Managers pay high premiums for actually non-existent synergies, resulting in high write-offs when these synergies do not materialise (Moeller et al., 2004). A huge number of mergers have been motivated by hubris (Barnes, 1998; Berkovitch & Narayanan, 1993). Market timing is also seen as non-value-increasing motive. Shleifer and Vishny (2003) have found that most acquirers try to buy undervalued targets, however, both corporations could be overvalued (Shleifer & Vishny, 2003). Acquisitions of overvalued targets result in low post-merger returns (Dong, Hirshleifer, Richardson, & Teoh, 2006).
Various studies show that mergers may be driven by multiple motives. In the UK, synergies and market timing do play a prioritised role in justifying deals (Arnold & Parker, 2009; Hodgkinson & Partington, 2008). Nguyen et al. (2012) have carried out an advanced study to question any motives and their impact on the success of M&As. They have investigated mergers, their motives and the long-term performance after deal closing. Their findings are that synergies, market timing, agency/hubris and response to economic shocks represent merger motives. Overall, current literature seems to agree that it will be very difficult to separate motives, as value-increasing and non-value-increasing motives coexist in most M&A activities (Nguyen et al., 2012).

The question of how to measure the success of M&As has been investigated since the 1960s. Research has not yet generated coherent definitions of M&A performance or definite factors indicating success or failure (Das & Kapil, 2012). Bild, Guest, Cosh, and Runsten (2002) further pointed out that financial measures alone are not sufficient for M&A performance. Das and Kapil (2012) provided a paper dealing with different explanations of M&A performance and possible KPIs to measure success or failure of M&As.

There seem to be two approaches to capturing performance of M&As: event studies and outcome studies (Das & Kapil, 2012). Event studies are part of the financial literature, whereas outcome studies are used by industrial organisation economists. Outcome studies investigate the pre- and post-acquisition performance and compare the merging corporations with matching corporations within the same industry (Tichy, 2001). In event studies, stock market reactions to the events that arise at the time of an M&A or in its aftermath are investigated (Das & Kapil, 2012; Tichy, 2001).

Empirical studies in M&A performance also distinguish between objective and subjective assessments. Subjective measurements are focused on degrees of synergy realisation, integration effectiveness and strategy gap reductions. Objective assessments focus on accounting performance, market performance and other operational data to describe performance. In addition to that, the distinction between long-term and short-term performance should be made (Das & Kapil, 2012).

Zollo and Meier (2008) have identified the following performance categories: integration process, employee retention, customer retention, accounting performance, long-term financial performance, short-term financial performance, acquisition survival, innovation performance, knowledge transfer, systems conversion, variation in market share, and overall acquisition performance. They have reduced these categories to three main hypernyms: task and transaction levels of analysis, long-term financial performance, and short-term window event study metrics (Zollo & Meier, 2008).

Studies also try to identify common variables to measure performance of M&As. Four main groups of KPIs have been classified through various research: accounting measures, market-related measures, other objective measures and subjective measures (Das & Kapil, 2012). Table 1 below presents a few examples of KPIs for M&A performance measurement.

Table 1

<table>
<thead>
<tr>
<th>M&amp;A KPIs</th>
<th>Accounting measures of M&amp;A performance</th>
<th>Market measures of M&amp;A performance</th>
<th>Other objective measures of M&amp;A performance</th>
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<tbody>
<tr>
<td>Asset growth</td>
<td>Return on equity (ROE)</td>
<td>Acquirer long-term market return</td>
<td>Age of firm</td>
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<tr>
<td>etc.</td>
<td>Return on investments (ROI)</td>
<td>Total long-term return</td>
<td>Deal value</td>
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<td>etc.</td>
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<td>Total short-term gain to acquirer and target</td>
<td>Research intensity</td>
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<td>etc.</td>
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Note: Source: authors, adapted from Das and Kapil (2012).
Driven by globalisation, M&As take place internationally as new markets, clients or resources are available abroad (Hitt, 2000). Yet the motives for cross-border acquisitions have changed over time. Especially, acquisitions in BRIC nations have been in great demand in order to gain access to special resources (Schneider, Plakun, & Slooth, 2009). Since the financial crisis in 2007, corporations have been more cautious about international investments. Additionally, legal issues have hardened the process of cross-border mergers (Gogan, Baxter, Boss, & Chircu, 2013). Furthermore, cultural clashes are still a very sensitive aspect in cross-border mergers and a common reason for M&A transactions to fail (Halsall, 2008; Weber, Rachman-Moore, & Tarba, 2012). Was it originally First World corporations seeking to invest in emerging markets such as Brazil, Russia, India, and China (henceforth BRIC) for resource reasons, Caiazza and Volpe (2015) are studying a new reversed trend: emerging country corporations are investing in developed countries through M&A activities. Emerging markets are often characterised by terrorism, corruption, etc., but there is a need to grow. As a result, they invest in certain developing countries, but it should be pointed out that a far more extensive due diligence is necessary in such deals (Caiazza & Volpe, 2015).

Another tendency occurring in M&A transactions is divestiture. The global financial crisis is the first driver of divestitures as corporations have been urged to rethink their strategies. Since 2011, corporations have identified divestitures as a further factor to generate synergies. Moreover, Svensson, Klofsten, and Etzkowitz (2012) pointed out the significant role of divestitures for the research and universities sector (Caiazza, 2014; Caiazza, Audretsch, Volpe, & Debra Singer, 2014). The first trend of divestitures was driven by the global financial crisis. Corporations have had to rethink their strategic focus and therefore decide which business units bear no core competence (Dobbs, Huyett, & Koller, 2009). Divestitures have been necessary to survive, however, after the aftermath of the financial crisis they have been identified as a new opportunity to grow, too (Dobbs et al., 2009; Kengelbach, Roos, & Keienburg, 2014). The Boston Consulting Group (BCG) has investigated current motives for divestitures. Drivers of a higher occurrence of divestitures are value enhancements due to a focus on core business, generating excess cash and improving the operating performance. Corporations have to rethink if an asset or business unit generates sufficient value within its organisations or could perform better on its own (Kengelbach et al., 2014). The best examples of divestitures are corporations like P&G, Kraft and Pfizer. P&G sold its Pringles brand to Kellogs, Kraft and Mondelez split and Pfizer sold its animal healthcare and baby nutrition segment to Nestlé. They all generated value enhancement due to their divestitures, however, a corporation needs to find the proper exit strategy (Kengelbach et al., 2014).

Besides studies into specifics as outlined before, research also intends to provide general key success factors for M&A transactions (Epstein, 2005). Rovit et al. (2004) have developed a first approach for a guide. McKinsey, BCG and Accenture support research in M&A with a focus on acquisition strategies, divestitures, synergies and success factors.

Up to now, there have been three essential findings: (1) Synergies are the main motive for mergers (Berkovitch & Narayanan, 1993; Trautwein, 1990); (2) Their mishandling is the reason for most failures (Ficery et al., 2007; Sirower, 1997); and (3) As every merger is different, a general guide does not seem to be feasible (Rovit et al., 2004). As a result, research has started to focus in detail on the stages of the M&A process.
In the literature, the post-merger integration (PMI) is mentioned as a significant step as it is the beginning of the synergy realisation process (Haspeslagh & Jemison, 1991). A high number of transactions have failed due to an often insufficient or non-existent integration process (Angwin & Meadows, 2015). The evaluation is another step influencing the failure or success of a transaction. Any errors occurring in this step could lead to overpayment for a target. If a target later turns out not to be worth its price or the synergies do not generate the expected value, accounting standards enforce extensive write-offs as a result (Ficery et al., 2007). In most cases, PMI and evaluation have failed as the synergy recognition process and due diligence have not been carried out carefully (Garzella & Fiorentino, 2014). If the potential synergies are not captured correctly, it is not possible to evaluate and integrate them in a right way (Ficery et al., 2007).

Although years of research have been invested to find the “panacea” against M&A failures, the current success rate still only amounts to approximately 40%-50% (10 years ago: 80%-90%) (Cartwright & Schoenberg, 2006). This is particularly problematic as the market for M&A has reached another peak in 2014 since the financial crisis in 2007, and is now expected to further increase in 2015/2016 (KPMG, 2014). Moreover, the current merger market is characterised by “megadeals”, e.g., the acquisition of WhatsApp Inc. for $19 billion by Facebook Inc., in which promised synergies are the most valuable assets (Ernst & Young, 2014a; 2014b). Any failure in pre-deal assessment could lead to disastrous write-offs, so a sufficient M&A process which considers synergies in more detail and through a dynamic lens is thus more necessary than ever. Various approaches to categorise synergies already exist (Bruner, 2002; Damodaran, 2005; Eccles, Kersten, & Thomas, 1999; Goold & Campbell, 1998). Timing is determined to realise synergies as quickly as possible after closing (Garzella & Fiorentino, 2014). Yet the various factors of timing remain cloudy and unexplored.

The M&A Process and Synergies

Research identifies some general key success factors, such as starting with small acquisitions bearing low risk to gain first experiences of acquisitions. The establishment of a core deal team also enhances the chances of success. Catching the deal fever should be avoided, meaning staying rational during the acquisition process (Rovit et al., 2004). McKinsey tries to identify acquisition strategies which could lead to a shareholder enhancement at any time. In 2010, they presented the five types of successful strategies:

1. Improve the target company’s performance;
2. Consolidate to remove excess capacity from industry;
3. Accelerate market access for the target’s (or buyer’s) products;
4. Get skills or technologies faster or at lower cost than they can be built;
5. Pick winners early and help them develop their businesses.

In addition to the acquisitions strategies given above, a few more exist; however, they generate value extremely rarely (Goedhart, Koller, & Wessels, 2010).

All in all, only a sufficient strategic vision and fit, the best deal structure (price premium and financing type), an extensive due diligence, the premerger planning and the PMI are crucial key factors predetermining the success of mergers (Epstein, 2005).

These are all important stages of the M&A process, so various researchers have investigated these stages for their pitfalls and tried to develop an improved model. Table 2 gives an overview of various approaches and points out any accordance and divergence of the M&A process approaches.
Table 2

<table>
<thead>
<tr>
<th>Authors</th>
<th>Process steps</th>
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<tbody>
<tr>
<td>Haspeslagh and Jemison (1991)</td>
<td>Strategic fit</td>
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<td>Pre-acquisition</td>
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<tr>
<td></td>
<td>decision-making</td>
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<td>Post-acquisition</td>
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<td></td>
<td>integration</td>
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<td>Glaum and Hutzschenreuter (2010)</td>
<td>Strategic planning</td>
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<td>Evaluation</td>
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<td>Negotiation</td>
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<td></td>
<td>Integration</td>
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<tr>
<td>Paulson and Huber (2001)</td>
<td>Finding the candidate</td>
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<td>Meetings</td>
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<td>Due diligence</td>
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<td></td>
<td>Negotiating &amp; signing</td>
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<tr>
<td>Langford and Brown (2004)</td>
<td>Strategy</td>
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<td></td>
<td>Screening</td>
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<td>Integration</td>
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<td>Tracking</td>
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<td></td>
<td>Transaction phase</td>
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<td></td>
<td>Integration phase</td>
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<tr>
<td>Galpin and Herndon (2014)</td>
<td>Formulate</td>
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<tr>
<td></td>
<td>Locate</td>
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<td></td>
<td>Investigate</td>
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<td>Integrate</td>
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<td>Motivate</td>
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<td>Innovate</td>
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<td></td>
<td>Evaluate</td>
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Glaum and Hutzschenreuter (2010) described the traditional approach for the M&A process, consisting of four main stages. In strategic planning, research suggests looking out for the perfect strategic fit also considering possible synergies. Due diligence is a very important task of strategic planning. Besides traditional financial, tax, commercial, etc. due diligence, it becomes necessary to consider organisational, environmental, and integration issues in the due diligence process (Galpin & Herndon, 2014).

A careful and accurate evaluation of a target is the basis for a successful negotiation process. Through a correct evaluation, overpayment could be avoided. In general, the classic DCF method is used to generate the intrinsic value of a corporation in respect of the possible CFs in the future. Even with regard to synergies, this approach can work, if synergies are characterised and understood correctly (Demirakos, Strong, & Walker, 2004). Calandro, Dasari, and Lane (2007) brought up the Graham & Dodd (G&D) valuation model to improve the odds of a merger success. Although the G&D approach might be able to deliver a more accurate price expectation, it is still not yet used constantly in corporate M&A processes. It is a fact that if the due diligence is not carried out properly that approach is worthless (Calandro et al., 2007).

In post-merger integration (PMI), researchers suggest bringing in a special integration team. These teams should work separately from organisations usual operational managers, to avoid any interruptions of daily business. However, it is necessary to integrate this special force as early as possible so they are able to plan integration in the best possible way after closing the deal. It is recommended to already let them attend to the due diligence process (Rovit et al., 2004). Especially, cultural issues need to be considered at this stage as well. It is fundamental to identify any hurdles as early as possibly to react on time against them (Holland & Salama, 2010; Joseph, 2014; Larsson & Finkelstein, 1999; Marks & Mirvis, 2011; Mitchell & Shaver, 2003; Wayne & Alzira, 2010). Additionally, the mode of integration is a crucial factor determining corresponding integration activities. Based on the need for strategic independence and organisational independence, integration can be seen as absorption, preservation and symbiosis (Haspeslagh & Jemison, 1991). In the literature, integration consists of two main tasks. Firstly, it has to enable value growth based on synergies. Next, it has to maintain the shareholder values of both corporations and avoid any value destruction. Therefore, it is necessary to find a suitable performance measurement system, which is often a great challenge (Gates & Very, 2003). An approach for a PMI performance measurement system is the performance prism. This prism focuses on the most important stakeholders during the integration (Adams & Neely, 2000).
Paulson and Huber (2001) also described a possible M&A process with more focus on pre-deal activities. In the same way, Langford and Brown (2004) adapted the process based on top performers in the merger market. They have investigated the acquisition processes of BNP, Amoco, Exxon, etc. and have generalised the actions taken. Galpin and Herndon (2014) have continuously adapted their approach to a process model. The latest model, consisting of eight steps, is based on years of experience in M&A expertise (Galpin & Herndon, 2014). To sum up, the most crucial stages are strategic planning, evaluation, negotiation and integration. Especially, pre-deal activities seem to predetermine the chances of success or failure of acquisitions. Several studies have already tried to improve PMI measures, whereas research about pre-deal adaptions has not delivered any consistent solutions (Angwin & Meadows, 2015; Larsson & Finkelstein, 1999; Weber & Tarba, 2011; Zaheer, Castaner, & Souder, 2011). This gap has already led to disastrous mergers as many corporations had to face high write-offs.

As previously mentioned, only in 2014, a first model for pre-deal decision support was developed. Garzella and Fiorentino (2014) identified four crucial factors that need to be known to realise synergies after closing:

(1) Categories of synergy;
(2) Timing of synergy;
(3) Size of synergy;
(4) Likelihood of synergy.

Garzella and Fiorentino (2014) stated that the category of a synergy determines its other factors and has the most influence on a successful merger. Size and likelihood also depend on timing in respect of the time frame between closing and realising the deal. The size decreases relative to the time passing between deal closing and its realisation as well as the likelihood. So the type of synergy and the necessary antecedents determine the correct time frame for its realisation.

As the category of synergy seems to be the most important, Garzella and Fiorentino (2014) summarised different approaches for synergy categories. Among other approaches they found:

Goold and Campbell (1998) saw synergies in sharing know-how and tangible resources. Furthermore, they described pooled negotiation power and coordinated strategies as synergy classifications (Goold & Campbell, 1998). Cost savings, revenue enhancements, process improvements, financial engineering and tax benefits are five other possible categories of synergies (Eccles et al., 1999). Only three types of synergies (cost-savings, revenue enhancements, and financial synergies) have been identified by Bruner (2002). Another category system provides operating synergies, financial synergies, and dubious synergies (Damodaran, 2005). The latest approach includes two categories: collusion-based and efficiency-based synergies (Clougherty & Duso, 2011). Collusive synergies refer to the market power as competition is reduced by a merger. Prices and profits increase for all corporations in the market. Efficiency-based synergies refer to operating excellence, as resource-sharing opportunities occur when two corporations merge. However, the type of merger (horizontal or vertical merger) determines the possible synergies (Clougherty & Duso, 2011).

Any corporation is free to categorise their synergies as suitable. However, it is necessary to understand the concept of synergies itself. In general, any competitive advantage established by the combination of two corporations could be a synergy, if it is hard to copy (Sirower, 1997). It often occurs that management report synergies which do not really exist: e.g., a simple addition of sale figures is not a real synergy. Only when the merger of two organisations leads to a supplementary increase in sales, the requirements of a synergy are fulfilled (Chatterjee, 2007; Ficery et al., 2007; Garzella & Fiorentino, 2014; Goold & Campbell, 1998; Kode,
Ford, & Sutherland, 2003; Larsson & Finkelstein, 1999; Zaheer et al., 2011; Zhou, 2011). Management need to consider the golden rule of M&A, 2+2=5, when they are going to report and announce possible synergies (Ahern & Weston, 2007).

A common mistake is to take synergies for granted, although they only represent possibilities. Action plans to materialise synergies are often neglected despite the fact that integration plans have been developed. Synergies should be a crucial part of integration plans (Early, 2004).

Additionally, acquirers tend to prioritise synergies bearing the highest value, ignoring some principles of cause and effect. Several deals are justified by cost savings amounting to millions of dollars, but fail to be realised, as it is expected that they will simply materialise by merging two corporations (Bruner & Levitt, 2009; Harrison, Hitt, Hoskisson, & Ireland, 1991).

Referring to timing, the integration speed plays an important role in research (Angwin, 2004; Bert et al., 2003). The literature states that the first 100 days after deal closing are crucial to realising synergies in their highest possible value (Angwin, 2004; Bert et al., 2003; Galpin & Herndon, 2014). Management should not forget to plan the integration in an aligned and precise way. Galpin and Herndon (2014) recommended integrating with prudent speed. Bert et al. (2003) stated that two years after closing, it is impossible to realise any synergies. Approximately 70%-80% of synergies could be realised within 12 months, the following 12 months only give room to 20%-30% of synergy value realization (Bert et al., 2003). Another aspect of timing has been mentioned by Herd and McManus (2012). They claimed that the economic situation cannot decide on success or failure of M&A transactions as they have not identified any significant variances in the number of failed mergers during economic shocks and in a stable economy (Herd & McManus, 2012).

Various past M&A transactions show that further timing concepts should be considered in the execution of M&As. Some cases reveal that timing aspects other than integration speed or market timing have been a crucial factor predetermining the outcome of a deal. For example, the management of Sony Pictures did not consider having the necessary resources available on time. Moreover, Quaker Oats apparently neglected any necessary measures for synergies to materialise, whereas Disney developed a strong synergy management process (Baptiste, 2002; Bruner & Levitt, 2009; Rukstad & Collis, 2009). Further cases revealed that more timing concepts need to be considered.

To conclude, besides the time frame for integration and its impact on the success of M&As, no other concepts of timing have been named in the literature so far. In the broadest sense of the word, the logical sequence of the M&A process in its entirety might be seen as a timing concept.

Methodology

The literature review identified many critical factors determining the success or failure of M&A deals. Right motives (Arnold & Parker, 2009; Berkovitch & Narayanan, 1993; Trautwein, 1990), well-captured synergies (Damodaran, 2005; Goold & Campbell, 1998; Harrison et al., 1991; Sirower, 1997), and a detailed M&A process (Galpin & Herndon, 2014; Glaum & Hutzschenerreuter, 2010; Haspeslagh & Jemison, 1991; Paulson & Huber, 2001) seem to be necessary to succeed and have been thoughtfully researched. Moreover, the integration speed has been investigated and identified as a final crucial factor for success (Angwin, 2004; Bert et al., 2003; Homburg & Bucerius, 2006). Garzella and Fiorentino (2014) furthermore identified that the type of synergy determines the time for a synergy to materialise. However, other concepts of timing seem to have been neglected and have not been explicitly researched.
In order to answer this question, a qualitative meta-analysis has been chosen as the method. In a meta-analysis, results of primary research are investigated from a new point of view. Data of primary research are reports of case studies about past mergers covering organisational, HR, managerial, and strategical issues.

Table 3

<table>
<thead>
<tr>
<th>No.</th>
<th>Acquirer – Target</th>
<th>Outcome</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pennsylvania – NY Railroad</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>2</td>
<td>Sony Pictures – Columbia Pictures</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>3</td>
<td>ATT – NCR</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>4</td>
<td>HP – Compaq</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>5</td>
<td>Quaker Oats – Snapple</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>6</td>
<td>Mattel – TLC</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>7</td>
<td>AOL – Time Warner</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>8</td>
<td>Tyco International</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>9</td>
<td>Aladdin – FAST</td>
<td>F</td>
<td>Weber and Tarba (2011)</td>
</tr>
<tr>
<td>10</td>
<td>BNP, Comcast, Renault, Alcoa, General Dynamics</td>
<td>S</td>
<td>Langford and Brown (2004)</td>
</tr>
<tr>
<td>11</td>
<td>Daimler – Chrysler</td>
<td>F</td>
<td>Finkelstein (2002)</td>
</tr>
<tr>
<td>12</td>
<td>Vodafone – Mannesmann</td>
<td>F</td>
<td>Halsall (2008)</td>
</tr>
<tr>
<td>13</td>
<td>BMW – Rover</td>
<td>F</td>
<td>Halsall (2008)</td>
</tr>
<tr>
<td>14</td>
<td>Renault – Volvo</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>15</td>
<td>Dynergy – Enron</td>
<td>F</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>16</td>
<td>Unilever – Bestfood</td>
<td>S</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>17</td>
<td>Smucker – JIF</td>
<td>S</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>18</td>
<td>Smucker – Crisco</td>
<td>S</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>19</td>
<td>IBM – Lotus</td>
<td>S</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>20</td>
<td>AMC – General Cinema</td>
<td>S</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>22</td>
<td>Yahoo! – Geocities</td>
<td>S</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>23</td>
<td>Yahoo! – Broadcast.com</td>
<td>S</td>
<td>Bruner and Levitt (2009)</td>
</tr>
<tr>
<td>25</td>
<td>BP – Amoco</td>
<td>S</td>
<td>Holland and Salama (2010), Salama et al. (2003)</td>
</tr>
<tr>
<td>26</td>
<td>Ford – Volvo</td>
<td>S</td>
<td>Holland and Salama (2010), Salama et al. (2003)</td>
</tr>
<tr>
<td>28</td>
<td>Disney – ABC</td>
<td>S</td>
<td>Rukstad and Collis (2009)</td>
</tr>
<tr>
<td>29</td>
<td>Berkshire Hathaway – GEICO</td>
<td>S</td>
<td>Calandro et al. (2007)</td>
</tr>
<tr>
<td>30</td>
<td>Exxon – Mobil</td>
<td>S</td>
<td>Caiazza, Hsieh, Tiwari, and Topf (2013)</td>
</tr>
</tbody>
</table>

All in all, 30 cases concerning mergers have been carefully selected through purposive sampling and investigated (see Table 3). The selected cases have been split equally in successful and failed mergers to illustrate both. As U.S. mergers have the highest share in the merger market, most cases are U.S. mergers but European and Asian transactions are also included to find out about potential cultural influences. Furthermore, cross-border transactions are also part of this meta-analysis. Different industries are represented within the sample to avoid industry dependent deviations and to enable a generalisation of the results. The cases include not only single transactions, but also acquisition programs of frequent acquirers. The cases of Renault – Volvo
and Dynergy – Enron never ended up to a merger, as negotiations did not lead to an agreement between these parties. The single case studies are included in this paper’s references. These cases are further supported by journals dealing with the execution of M&A deals.

First, the case studies were read for overall understanding. Already existing research about timing concepts were the first indications to identify timing issues and used as a-priori codes. Furthermore, all data were investigated and transformed into meaningful units a-posteriori referring to timing concepts and subsequently coded based on the approach of Denzin and Lincoln (2003). The authors have not considered the existing market timing as a timing concept as it is seen as an acquisition strategy in literature. The identified timing concepts are illustrated in Table 4.

Table 4
Search Strategy Framework

<table>
<thead>
<tr>
<th>I. Concept</th>
<th>II. Discovered in meta study</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Integration speed</td>
<td>Bert et al. (2003)</td>
</tr>
<tr>
<td>2. Synergy type determines point of time to materialise</td>
<td>Garzella and Fiorentino (2014)</td>
</tr>
<tr>
<td>3. Sequence of M&amp;A process</td>
<td>Various sources</td>
</tr>
<tr>
<td>1. Point of time</td>
<td></td>
</tr>
<tr>
<td>2. Duration</td>
<td></td>
</tr>
<tr>
<td>3. Sequences</td>
<td></td>
</tr>
<tr>
<td>4. Chronology</td>
<td></td>
</tr>
<tr>
<td>5. Frequency</td>
<td></td>
</tr>
<tr>
<td>6. Time frame</td>
<td></td>
</tr>
</tbody>
</table>

In the next step, it was listed how these timing concepts influenced the chances of success or failure of a transaction. This list contained 131 mentions of timing concept impacts. Invariant constituents were identified by elimination of overlapping statements. Next, these invariant structures were used as a foundation to build meaningful units. The transformation into meaningful units and coding took place in a multi-coder (inter-coder reliability measures were applied); recursive and iterative process using the Atlas.TI software (Denzin & Lincoln, 2003). To illustrate the invariant structures, the authors provide Table 5.

Table 5
Illustrative Examples for Invariant Structures and Their Meaningful Units

<table>
<thead>
<tr>
<th>Invariant structures</th>
<th>Meaningful units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to industrial trends, a merger was the only way to keep track of competition.</td>
<td>Urge to merge</td>
</tr>
<tr>
<td>After closing, operating was not possible due to the lack of resources.</td>
<td>Resources need to be available for operating merger</td>
</tr>
<tr>
<td>The focus on pre-deal activities is one essential reason for the success of the merger.</td>
<td>Duration of pre-merger activities</td>
</tr>
<tr>
<td>There was no plan for integration, two businesses without integrated processes worked simultaneously and many errors occurred.</td>
<td>Alignment of separate M&amp;A process steps</td>
</tr>
<tr>
<td>Internal activities can be managed by M&amp;A team.</td>
<td>Time frame between first offer and deal closing</td>
</tr>
<tr>
<td>Even if it is aimed to acquire as frequently as possible, a needed time frame to focus on single transactions is needed.</td>
<td>Time frame between single acquisitions</td>
</tr>
<tr>
<td>Chance to withdraw in due diligence is avoided as managers do not want to accept failure.</td>
<td>Find the right exit just at the moment</td>
</tr>
<tr>
<td>Managers need to weight restructuring costs against a divestiture with loss.</td>
<td>Save ailing investment</td>
</tr>
</tbody>
</table>

Finally, the meaningful units were clustered and summarised in six themes describing timing concepts with the impact on the M&A process. Table 6 illustrates three examples of the identified main themes.
Table 6  
**Exemplary Illustration of Theme-Building from Meaningful Units**

<table>
<thead>
<tr>
<th>Themes</th>
<th>Meaningful units</th>
</tr>
</thead>
</table>
| Duration of M&A process in its entirety | External factors lengthen the M&A process  
|                                  | No limit for duration of M&A process  
|                                  | Sufficient time spent on single stages |
| Sequences of M&A process        | Alignment of separate M&A process stages  
|                                  | Resources need to be available for operating merger  
|                                  | Product pipelines need to be in flow |
| Synergy chronology              | Foundation of synergies is necessary  
|                                  | Clear view about time frame for realisation of synergies  
|                                  | Logical sequence of action plan to realise synergies |

**Findings and Discussion**

Due to the combination of the identified timing concepts and elaborated meaning units, six themes in which timing concepts influence the M&A process emerged: time for acquisitions, duration of M&A process in its entirety, sequences of the M&A process, synergy chronology, frequency of acquisitions, and time to step back (see Figure 1). These concepts might have a crucial impact on the likelihood of success or failure of M&A transactions. These six themes will be further elaborated in the following paragraphs, followed by a discussion in relation to the extensive literature review.

*Figure 1. Overview findings. Source: Authors.*
**Time for Acquisitions**

The point of time for mergers is an essential factor only partly determining the success or failure of transactions. A common question is whether it is wise to invest during economic troubled times, even if the whole market or even just the industry is impacted. The investigated cases show that the economic situation does not predetermine the outcome of transactions. Moreover, it seems that the economic situation might urge corporations to merge. In some industries, it might be inevitable to merge due to competitive pressure, industry and technology trends.

Case 30: When a rash of nationalization of oil assets took place in the 1970s and 1980s, M&As such as Shell-Belridge and Mobil-Superior Oil become necessary to ensure access to sufficient resources.

Case 6: As of late 1998, the toy industry was in the midst of profound change due to shifting competitive power, technological innovation, and fluctuations in consumer demand.

A far more challenging situation occurs, when the partying corporations additionally have to face bankruptcy due to economic shocks. Afterwards, it is necessary to operate at a minimal level of costs and mergers are a possibility to enable such a performance. AMC and General Cinema have merged to survive after bankruptcy. As both corporations did not have to deal with any time pressure, they were able to plan extensively and saw a chance in a struggling industry.

Generally, the failure of other corporations in the same industry might highlight the point of time or the best chance for acquisitions.

Case 30: Following its acquisition, the firm clearly benefited from the collapse of reckless competitors like Enron, [...].

It is very important to find the right point of time for acquisitions to avoid any time pressure in carrying out the merger. If a merger is seen as the only way to avoid bankruptcy, there might be much pressure for the merger to succeed. Moreover, due to this haste many errors might occur during essential evaluations.

Case 15: The stress of time urgency and crisis condition can only have weakened the ability of the operating team of decision makers at the scene.

Case 6: But it also appears that Mattel’s due diligence research on TLC was inadequate, which, combined with the apparent haste to do a deal, increased the probability that Jill Barad did not understand the risks in TLC.

To sum up, a troubled economic situation of the whole market, industry or even at the corporate level, may not determine the odds of success or failure of a merger. However, it might determine the point of time for acquisitions. It may be that it is not possible to choose the point of time freely, as industry, technology and competitive trends are a deciding factor. Nevertheless, it should not be seen as a threat to merge as rapidly as possible. The point of time needs to be chosen wisely, to capture all chances correctly. Moreover, the point of time for acquisitions should be set as early as possible to avoid any time pressure in its execution.

**Duration of M&A Process in Its Entirety**

All in all, the duration of the whole process is not a significant factor in deciding the outcome of a merger. There is no constant timeframe determining successful and failed mergers. Transactions with an entire timeframe of only two years failed, but mergers with duration of six years succeeded.

In contrast, the duration of the single stages plays a far more important role. The time spent on due diligence, pre-deal activities in general, and negotiations might be decisive for the success or failure of a transaction. Generally, pre-deal activities are a very time-consuming activity, but it seems they are worth the effort. Moreover, pre-deal activities need to be considered as a foundation for further decisions.
Case 21: The extended time frame is one. In this merger, the staff of both banks and of CARE in particular, had a long period to make personal decisions. For the three years in which an ACE managing director ran CARE prior to the operational merger, staff had the opportunity to consider options and make decisions about their future in relatively stress free conditions.

Especially, extensive due diligence might avoid time-consuming and exhausting negotiations. In some cases, negotiations exceeded a time frame of more than one year resulting in losing track of essential decisions in negotiations.

Case 9: Negotiations over the merger lasted about two years, and did not reach the point of individualized operative thinking until the final stages. […] But there was no detailed planning of the implementation of post-merger integration, and there were no clear timelines.

Timeframes for due diligence and negotiations might be assessable by both corporations. Besides, “external” interruptions may occur, which lengthen the duration of the whole M&A process. Most M&A transactions need to be approved by anti-trust divisions or competition authorities. Depending on the industry, these processes might take 3-10 years. It is very important not to neglect the impact of such delays and to develop action plans to overcome them.

Case 1: The ICC was notoriously slow in its process of reviewing merger-applications […] Delay bred internal indecision in the merging firms, which when combined with the growing impatience of shippers and the inflexibility of labor unions to accommodate changes in work rules, neutered the hoped-for cost savings, productivity improvements, and revenue growth.

In sum, a golden rule for a duration which grants the success of an M&A transaction does not seem to exist. For example, a transaction is not damned to fail if it took more than two years to execute it. On the other hand, there is no guarantee of success if it took only one year for a merger to be executed. It is more important to focus on the single stages of the M&A process. It is wiser to invest more time in extensive pre-deal activities and in-depth examine all aspects of the transaction at the beginning. As a result, it is not expedient to spend more time than necessary on negotiations and subsequent works.

Sequence of M&A Process

Besides the time invested in the separate stages, the sequence alignment of these stages seems to be crucial as it apparently predetermines the outcome of transactions. Most of the cases investigated state that it is necessary to depart from the traditional sequence, where integration is firstly considered after closing.

Several M&A transactions have primarily succeeded as they started with integration tasks already in pre-deal activities. Corporations investigated in this paper tend to include integration in due diligence, which might be a crucial success factor. An integration due diligence could include different analyses to gather information about challenges in organisational and cultural integration. Integration should be seen as a process stage, starting at due diligence to avoid any kind of surprises after deal closing. As several cases show, most mergers have failed, as cultural hurdles have not been considered on time resulting in a lack of staff commitment. Additionally, it is important to know in advance all obligations that need to be met after closing.

Case 24: During the due-diligence period, DB top management decided to undertake a cultural assessment exercise. […] The cultural awareness exercise disclosed that DB employees were not satisfied with the deal. […] Better communication to the employees on the rationale and validity of the acquisition process was implemented.
Case 5: [...] explained that Snapple’s independent distributors simply wouldn’t accept the proposed swap of Gatorade’s distribution for direct supermarket access [...] The co-packing contracts had also locked Snapple into unrealistic production levels with the independent suppliers.

Moreover, it is necessary to link the separate stages in such a way to avoid any delays in the product, process, technology, and pipeline, etc.. The cases show that several M&A transactions have failed as they were not able to operate after closing due to the mismanagement of the M&A process.

Case 5: And Snapple itself had no new products in the pipeline, and no new advertising or promotions on the way. Finally, Quaker had been too slow to respond to the problems in the unit.

Case 11: As a result, Chrysler sat in apathy, waiting for Daimler’s next move - a move which came too late -- eleven months after Eaton’s retirement -- when Schrempp installed a German management team on November 17, 2000. During that interval, Chrysler bled cash. [...] Chrysler responded with little innovations, and competitive price reductions only began in Q2 2001. Its traditional dominance in the SUV and light truck market had been challenged, and it had not adequately responded.

As a result, the linking of the sequences and the sequences themselves might decide the success or failure of an M&A process. Corporations dealing with M&A processes should consider the integration as an ongoing process starting at due diligence. Moreover, they need to keep track of all actions necessary to guarantee a smooth operation after deal closing. Any time lost in subsequent work after deal closing might reduce the timeframe needed to realise possible synergies and enhance shareholder value.

**Synergy Chronology**

The study revealed that often deals are only justified by cost or revenue benefits. In only a few deals is the focus set on necessary actions to realise these synergies, as a logical chronology of synergies is generally neglected. At first, it is important to reach for synergies which are possible to achieve.

Technically, cost or revenue benefits are only the result of realised synergies. Synergies themselves should rather be seen as an optimised operation of HR, technology, processes and know-how within a corporation.

Especially, the commitment of HR needs to be considered as the foundation of all synergies, as staff have to make use of technology, processes and know-how. It is necessary to focus on this synergy at first.

Case 28: According to Eisner, the key to Disney’s synergy was Disney Dimensions, a program held every few months for 25 senior executives from every business. [...] When they go back to their jobs, what happens is synergy, naturally.

If the commitment of HR on both sides is established, it is possible to work on other synergies concerning processes, technology and know-how.

Case 26: In terms of technology transfer, immense opportunities for synergy are foreseen by both parties. Volvo engineers visit US plant in order to offer US engineers knowledge, primarily on safety and ergonomics. [...] These synergies are perceived by employees from both companies as very positive outcomes from the acquisition process.

The timeframe needed for synergies to materialise is also an important component of the synergy chronology. Corporations have to consider that the realisation of synergies is an ongoing process, requiring further investments and efforts. The cash flow timeline of synergies is characterised by a necessary number of outflows to achieve an even higher income.
THE CRUCIAL ROLE OF TIME IN M&A ACTIVITIES

Case 1: The accelerated capital spending and operational problems worsened the flow of cash. As the Securities and Exchange Commission (SEC) later reported, the adverse cash impact of the merger was “grossly underestimated” by management.

To conclude, the chronology of synergies and its dynamic play an immense role in the M&A process and its outcome. It is recommended not to focus just on the possible results, cost or revenue benefits, it is far more important to get an overview of all synergies and the required actions to realise them. The establishment of a time schedule for synergies would be a possibility to track synergies and the latest actions taken. Additionally, to really succeed in realising synergies, the HR commitment should be considered as synergy itself and beyond that as the fundamental synergy to enable process, technology or know-how synergies.

Frequency of Acquisitions

The frequency of acquisitions might have an important impact on the outcome of mergers. First of all, corporations have the possibility to gain experience and improve their learning curve through frequent acquisitions. However, it is necessary to consider that the learning curve effect might only affect parts of the M&A process as each M&A transaction is unique.

Case 10: Buying often moves companies down the negotiation and integration learning curves. Various acquisition programs state specific criteria that need to be met to avoid any hasty deals. In some cases, acquisitions are the foundation of growth within a corporation so they intend to increase the number of deals per year. Accordingly, they might neglect a certain timeframe needed to execute every single deal. As a result, they lose focus and have to face high write-offs as integration and realisation of synergies failed.

To conclude, the challenge is to find a frequency for transactions that allow a stable potential for growth and a timeframe to focus on essential stages of the M&A process for every single transaction. Only then, can a corporation partially benefit from the learning curve effects.

Time to Step Back

In some cases, corporations need to face the point of time where it would be wiser to step back from a deal. There might be new information, unexpected developments or other surprises discouraging the acquiring party. The first possibility of such a point of time would be during or after due diligence activities, when all information is available to make an informed decision. However, corporations tend to ignore this possibility due to various reasons.

Surprisingly, the decision following due diligence, namely the decision to continue with or withdraw from the initial intent of acquiring a target firm as a result of new information uncovered during due diligence, has been relatively neglected (Puranam, Powell, & Singh, 2006).

Even if escape clauses are linked with back out charges, their scope could hardly catch up with the dimension of necessary write-offs, extra cash outflows and other expenditures connected with failed M&A mergers.

If corporations move on with their deals, and the merger did not work out as expected, they need to face the point of time where the only way to survive is to let go. In many cases, failed mergers result in spin-offs, where they have to sell their initial target at a loss. Consequently, they might reduce the expenditure for an unsuccessful restructuring project of the merger if they divest on time.

Case 6: […] The board had estimated that a turnaround of TLC would take two years, a length of time they refused to endure.
It is obvious that this point of time does not enhance the chance of success, but it may be a crucial timing concept deciding the dimensions of a failed M&A transaction. Considering a volatile economic environment and the bad publicity of a failed M&A deal, a disposal of the target might be the only chance for effective damage control. More to the point, corporations need to take any doubts arising during due diligence seriously. They should be able to choose the point of time for withdrawal as soon as possible and reduce any losses to its minimum.

Comparing to Literature

Comparing the findings to literature research has tried to identify certain starting points, which may decide success or failure. There have been different approaches investigating motives (Arnold & Parker, 2009; Berkovitch & Narayanan, 1993; Nguyen et al., 2012; Trautwein, 1990), synergies (Chatterjee, 2007; Damodaran, 2005; Ficery et al., 2007; Garzella & Fiorentino, 2014; Goold & Campbell, 1998; Kode et al., 2003), PMI (Adams & Neely, 2000; Angwin & Meadows, 2015; Datta, 1991; Joseph, 2014; Weber et al., 2012), evaluation methods (Ahammad & Glaister, 2013; Calandro et al., 2007; Kode et al., 2003), etc.. Referring to timing concepts, only speed has been investigated in more detail, stating that there is a limited time frame to realise synergies after closing (Angwin, 2004; Bert et al., 2003). Another timing concept briefly mentioned in research is the economic situation (Herd & McManus, 2012). Herd and McManus (2012) said that the economic situation does not influence the outcome of a transaction. Other aspects of timing have not arisen yet.

The findings of this empirical study reveal that there may be another starting point deciding the chances of success or failure of M&A deals: the timing concepts identified in this paper. Corporations should consider other timing concepts than integration speed, to increase their chances for value enhancement. At first sight, the timing concepts identified in this paper do not constitute a world-changing epiphany. However, the cases have shown that these timing concepts may be worth considering as they might predetermine the outcome of M&A transactions.

In fact, the timing concept of sequence of the M&A process has always been staring various authors and researchers in the face. They adapted the separate stages of this process by splitting some stages or extending their scope due to new insights in practical approaches (Galpin & Herndon, 2014; Glauam & Hutzschenreuter, 2010; Haspeslagh & Jemison, 1991; Paulson & Huber, 2001); however, none of them have considered rearranging the single stages themselves. The cases show that some corporations see integration as a part of due diligence activities, but this approach has never been depicted in the literature so far.

The time for acquisition in respect of the economic situation has always been seen as a risk factor (Bert et al., 2003; Herd & McManus, 2012). The findings in this paper show that a merger might be a chance to overcome economic shocks. Moreover, the economic situation might force corporations to merge due to limited growth potentials, hard competition and lack of resources (Rovit et al., 2004).

Types of synergies have been extensively discussed in the literature (Chatterjee, 1986; Damodaran, 2005; Goold & Campbell, 1998; Harrison et al., 1991). Garzella and Fiorentino (2014) said that it is essential to know the type of a synergy initially; otherwise it is not possible to manage them properly.

To sum up, evidence points towards the fact that the sequence of the M&A process, the time of acquisitions and the synergy chronology might have the strongest impact on the outcome of an M&A deal as they affect all corporations dealing with business transactions. Acquirers should avoid neglecting their importance and try to manage them as well as possible. Whereas the frequency of acquisitions only refers to experienced acquirers, the duration of a deal execution varies from case to case and the time to step back is considered as an emergency exit.
Conclusion and Implications

Contributing to the literature on M&A factors, the authors identified a gap regarding a dynamic lens on M&A activities. Building on existing literature, this paper can be seen as a first critical approach to close this gap as it points out further aspects of timing that need to be taken into account in M&A transactions. These concepts have always been present and sometimes been hinted at but have not been investigated in detail, although their moderating role and impact seems to be irrefutable. Based on a qualitative meta-analysis of 30 case reports, a new inductive interpretation allowed to carve out six themes identifying timing concepts that moderate and in some cases predetermine the success or (extent of) failure of M&A activities, namely:

1. Time of acquisitions;
2. Duration of M&A process in its entirety;
3. Sequence of M&A process;
4. Synergy chronology;
5. Frequency of acquisitions;
6. Time to step back.

Especially, the sequence of the M&A process should be the subject of more focus in future research. As several cases have shown, the M&A process is a complex and interactive system and it is not recommended to always follow the traditional approaches mentioned in the literature. This paper suggests future research to focus on how to manage the timing of interlocking the single stages. Moreover, the overlap of certain stages should be considered to maintain a smooth workflow. An important question for research is which integration activities are possible in practice before closing as part of pre-deal activities. In addition, a synergy chronology should be a further topic considered in future research. As several cases have proved, thinking of synergies individually is not the way to realise them. Moreover, corporations need to understand the cause and effect dynamic behind synergies to meet the required measures. These two timing concepts are directly managed by corporations and seem to influence the outcome of a transaction to the highest degree. As a result, they should hold priority positions in future M&A research.

Besides the theoretical contribution, there are also several practical implications based on the authors’ findings:

Corporations need to consider the right time for acquisitions to avoid any time pressure but yet maintain their competitive advantage in the market. Sufficient time needs to be invested without getting in the way of the efficiency of an M&A process. The single stages should be sequenced just in time to enable a smooth workflow after closing. As synergies are the main source for value enhancement, any corporation should be aware of a given synergy chronology. Cost or revenue benefits do not materialise out of nothing and need a stable foundation, namely, HR commitment as a synergy enabling process besides technology and know-how strategies. Frequent acquirers might gain experience from their transactions if they still have time to focus on every single transaction to learn from them. However, the learning curve effect is limited, as each deal is unique. Corporations need to be brave enough to withdraw if surprises arise during due diligence. This is the only point of time where they can step back with minimal expense. If the deal fails after closing, corporations need to have a contingency plan ready to identify the right time to step back, resulting in the smallest possible losses and write-offs.
References


THE CRUCIAL ROLE OF TIME IN M&A ACTIVITIES


