WORKSHOP SUMMARY

Making Overseas Acquisitions Work

International studies have established that between 40% to 80% of mergers and acquisitions prove to be disappointing. In spite of this, the hunger for acquisitions and specially cross border acquisitions is increasing day by day. According to a study by Mckinsey & Co., even in 2009 during the aftermath of the global recession 5,800 companies were involved in the process of acquisitions valued at $ 2.3 trillion. Many of these deals were large deals valued at nearly billion dollars or more. Many of them were cross border acquisitions, structured with great complexity. Enormous amount of resources were spent in planning, studying and closing these acquisitions. In spite of such effort many acquisitions fail. Why do acquisitions fail or destroy shareholder value or fail to meet initial optimistic expectations? The most common reasons are –

- Wrong selection of target
- Lack of attention to cultural factors during due diligence.
- Lack of compelling strategic rationale for acquisition.
- Flawed understanding of the new business
- Unrealistic expectations or excessive valuation.
- Flawed integration management
- Lack of shared vision.
- Conflicting corporate or national culture.
- Not investing adequate recourses to consummate the transaction.

The workshop will examine various ways of anticipating these common mistakes and understanding the acquisition strategy which will ensure how synergies and hidden values can be unleashed.