Alliance as Courtship for Post-Acquisition Performance
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Introduction
In the last decade, there are more than 40,000 mergers and acquisition cases have been completed worldwide in every year. Successful mergers and acquisitions help companies achieve both strategic and financial objectives, such as cost saving through economies of scale and scope, resources combination, revenue enhancement, knowledge and capabilities achievement, etc. However, more than 50% mergers and acquisitions are failed to achieve the expected goals.

In study we investigated the factors that contribute to the success of post acquisition performance. We proposed that a successful strategic alliance in licensing, manufacturing, marketing, R&D, and technology transfer between acquirer and target will create a set of intangible assets that contribution to the acquirer’s post acquisition performance.

Methods
• A quasi-experiment study.
• Logistic Regression is conducted to indicate the significance of control variables.
• Propensity Score Matching (PSM) is applied to match similar groups in treated and control groups in order to reduce bias.
• Average Treatment Effect (ATE) and Average Treatment Effect on the Treated (ATET) were applied to compare the difference between firms with or without previous strategic alliance with target.

Data Processing
- The original data for both M&A and strategic alliances are from Securities Data Corporation (SDC), all the mergers and acquisition cases in worldwide from year 2005 to 2019 were exported, so as strategic alliances in licensing, manufacturing marketing, R&D, and technology.
- A set of programs based on C sharp language were developed. All the M&A and strategic alliances cases were sorted by year from 2005 to 2019. For anyone of M&A cases, if the target name and acquirer name exist in strategic alliance participant list (SA), then the M&A case was recorded as with previous strategic alliance, and vice versa.

Results
- Previous strategic alliance between acquirer and target benefit the post-acquisition performance.
- Industry category, cultural distance, company size, high technology, country for both acquirer and target are correlated with post-acquisition performance.

Further Study
- Explore the reasons behind the financial numbers, a set of intangible assets, such as social capitals and human capitals generated during the strategic alliance for acquirers and targets need to be taken into consideration.
- We propose that previous strategic alliance between acquirer and target before acquisition as “courtship” stage, which helps to build trust, mutually enforcement norms, create certainty and confidence, reduce transaction cost and complexities in member relationship, and finally contribute to the post-acquisition performance. To achieve this goal, in-depth interviews and questionnaires are planned to be conducted in the future research.

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