

Appendices

Appendix A: Survey

The M&A Success Factors

Basic information

This section aims to collect basic information about the respondent's territory of practice, his/her experience in M&A, and typical sizes of transactions advised.

* 1. In which country do you currently reside?

* 2. How many years of your professional experience were related to transaction advisory?

- ☐ 0-5 years
 ☐ 21-30 years
☐ 6-10 years
 ☐ >30 years
☐ 11-20 years

* 3. What is the typical deal-size of transactions (denoted in USD), where you have been part of the advisory team?

- ☐ \$ 0- 10 mil
 ☐ \$ 101-500 mil
☐ \$ 11-50 mil
 ☐ \$ 500 mil +
☐ \$ 51-100 mil

* 4. Are you (or were you for significant portion of your professional career) part of a global advisory firm?

- ☐ Yes
☐ No

5. Which global advisory firm? (optional)

* 6. Are you specialized in transactions within particular industry?

☐ Yes

☐ No

7. Which industry is your specialization? (optional)

The M&A Success Factors

The motives of M&A

Previous research has been occupied with measuring M&A performance and seeking answers to what causes M&As to fail. Frankly the central question of what motivates firms to undergo M&A remains unanswered.

In this opening section we rely on your experience as a front-line actors in the M&As to uncover the motives.

* 8. Rank the motives of M&A based on perceived frequency of occurrence.

		Expanding customer base
		Cost synergies or scaling efficiency
		Resource redeployment
		Managerial self-interest
		Response to uncertainty
		Response to regulation
		Product or service differentiation
		Entering new geographic markets

The M&A Success Factors

Impact of factors influencing M&A performance

In the following section you will decide on individual factors' influence on M&A success. Previous research has been ambiguous in its definition of M&A performance, let alone success.

For the purpose of this survey please consider success as the:

"Fulfillment of transaction primary expectations and/or (client's) satisfaction with overall outcome of the transaction".

Within each factor please decide based on your personal experience the level of impact brought to the overall success.

Altogether the factors are grouped in 3 logical sets.

1. Antecedents, (q:9-16) are factors that are arising from the setting before the transaction process takes place.
2. Moderators, (q:17-24) are factors typically arising in the transaction process from extensiveness of due diligence process to handover as such.
3. Human factors, (q:25-32) are factors targeting the personal characteristics of people responsible for M&A, and wider stakeholders (such as employees) and how they contribute to the M&A outcomes.

* 9. Does the choice of a **domestic or foreign** target influence the outcome of M&A?

- | | |
|---|---|
| <input type="radio"/> Domestic M&As tend to be significantly more successful | <input type="radio"/> Cross-border M&As tend to be more successful |
| <input type="radio"/> Domestic M&As tend to be more successful | <input type="radio"/> Cross-border M&As tend to be significantly more successful |
| <input type="radio"/> Choice of domestic or foreign target has marginal or no influence on the outcome | |

* 10. Does the **Financial vs. Strategic motive** influence the outcome of M&A?

- ☐ Financial M&As tend to be **significantly more** successful
- ☐ Strategic M&As tend to be **more** successful
- ☐ Financial M&As tend to be **more** successful
- ☐ Strategic M&As tend to be **significantly more** successful
- ☐ Financial over Strategic has **marginal or no influence** on the outcome

* 11. Does the **dimension of integration** influence the outcome of M&A?

- ☐ Vertical M&As tend to be **significantly more** successful
- ☐ Horizontal M&As tend to be **more** successful
- ☐ Vertical M&As tend to be **more** successful
- ☐ Horizontal M&As tend to be **significantly more** successful
- ☐ Dimension of integration has **marginal or no influence** on the outcome

* 12. Does the target's **industry concentration** influence the outcome of M&A?

- ☐ Investments in **concentrated** industry tend to be **significantly more** successful
- ☐ Investments in **competitive** industry tend to be **more** successful
- ☐ Investments in **concentrated** industry tend to be **more** successful
- ☐ Investments in **competitive** industry tend to be **significantly more** successful
- ☐ Concentration of the targets industry has **marginal or no influence** on the outcome

* 13. Does increased **"trendiness"** of a specific industry (increase in M&A activity within the industry in years directly preceding the transaction) influence the outcome of M&A?

- ☐ M&As in a "trendy" industry tend to be **significantly more** successful
- ☐ M&As in trendy industry tend to be **less** successful
- ☐ M&As in "trendy" industry tend to be **more** successful
- ☐ M&As in trendy industry tend to be **significantly less** successful
- ☐ Trendiness of the target's industry has **marginal or no influence** on the outcome

* 14. Does the acquirer **management's holding of its common stock** influence the outcome of M&A?

- ☐ M&As where the acquirer's management hold common stock tend to be **significantly more** successful
- ☐ M&As where the acquirer's management hold common stock tend to be **less** successful
- ☐ M&As where the acquirer's management hold common stock tend to be **more** successful
- ☐ M&As where the acquirer's management hold common stock tend to be **significantly less** successful
- ☐ Managements holdings of the common stock have **marginal or no influence** on the outcome

* 15. Does the acquirer's **previous experience** with M&A influence the outcome?

- ☐ Acquirer's with previous M&A experience tend to be **significantly more** successful
- ☐ M&As where the acquirer's management hold common stock tend to be **less** successful
- ☐ Acquirer's with previous M&A experience tend to be **more** successful
- ☐ M&As where the acquirer's management hold common stock tend to be **significantly less** successful
- ☐ Acquirer's previous experience with M&A has **marginal or no influence** on the outcome

* 16. Does the **concentration of Acquirer's ownership** influence the outcome of M&A?

- ☐ 'Acquirer's with higher concentration of ownership tend to be **significantly more** successful
- ☐ 'Acquirer's with higher concentration of ownership tend to be **less successful**
- ☐ 'Acquirer's with higher concentration of ownership tend to be **more successful**
- ☐ 'Acquirer's with higher concentration of ownership tend to be **significantly less** successful
- ☐ 'The ownership concentration has **marginal or no influence** on the outcome

* 17. **Time pressure** throughout the transaction process influences the outcome of M&A:

- ☐ Very positively
- ☐ Negatively
- ☐ Positively
- ☐ Very negatively
- ☐ Marginal or no influence on the outcome

* 18. Greater **scope of due diligence** (Fin, Legal, Tech) influences the outcome of M&A:

- ☐ Very positively
- ☐ Negatively
- ☐ Positively
- ☐ Very negatively
- ☐ Marginal or no influence on the outcome

* 19. Setting an **integration plan** in the earlier stages (during due diligence process) influences the outcome of M&A:

- ☐ Very positively
- ☐ Negatively
- ☐ Positively
- ☐ Very negatively
- ☐ Marginal or no influence on the outcome

* 20. **Cash** as a **mode of payment** (as opposed to stock) influences the outcome of M&A:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 21. Choice of **Locked-box** structure as a **pricing mechanism** (as opposed to traditional Closing accounts) influences the outcome of M&A:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 22. Deployment of specialized unit for integration such as **Integration Management Office (IMO)** influences the outcome of M&A:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 23. Presence of **HR due diligence** influences the outcome of M&A:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 24. Use of **sophisticated methods of valuation** as opposed to multiple approach (such as EBITDA multiple) influence the outcome of M&A:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 25. Perceived similarity of Target's and Acquirer's **corporate culture** influences M&A outcome:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 26. Dominant **personality type** of Acquirer's CEO (or the person responsible for the outcome of transaction) influences M&A outcome:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 27. The removal of the **target's autonomy** (change of management, subsidiary position...) influences M&A outcome:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 28. The target's Management thoroughly **informing** its Employees **about the M&A proceedings** influences outcome:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 29. Previous **personal relationship** between the members of top management of the two firms undergoing M&A process, influences its outcome:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 30. Difference in perceived **level of formality** between the management of firms undergoing the M&A process, influences its outcome:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 31. Acquirer's management **KPIs linked to long-term performance** of target/integration:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

* 32. Greater acquirer **CEO's firm specific human capital** in years (# of years the CEO of acquirer has been in the position) influences the outcome of the M&A:

- ☐ Very positively
- ☐ Positively
- ☐ Marginal or no influence on the outcome
- ☐ Negatively
- ☐ Very negatively

The M&A Success Factors

Thank you very much!

Dear respondent,

With mere knowledge of how packed is the calendar of M&A Consultants, I can't stress enough how much I appreciate the time you put into this survey.

If you are interested in the outcome of this research please note email address below. The email address will be separated from your responses and used exclusively to distribute the outcomes upon which it shall be deleted.

If you feel like you haven't had enough space to elaborate on the topic of "The M&A Success Factors", please use the open box below to enrich this research with your further insight.

Thank you very much!

Gratefully,

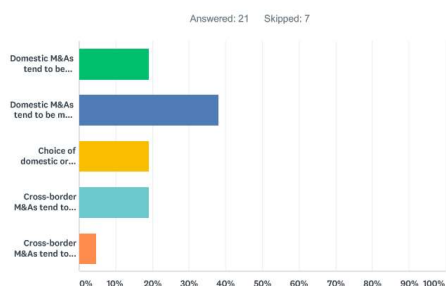
Robert Vacha

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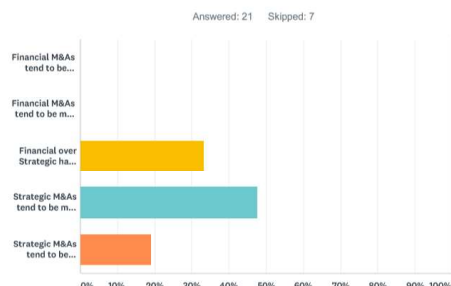
34. Space for further elaboration on the topic

Appendix B: Individual responses

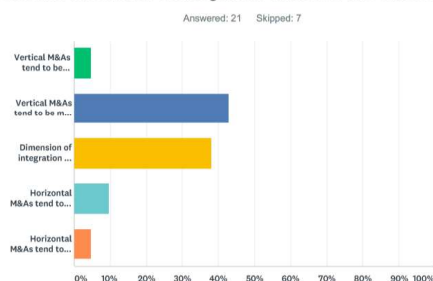
Q9 Does the choice of a domestic or foreign target influence the outcome of M&A?



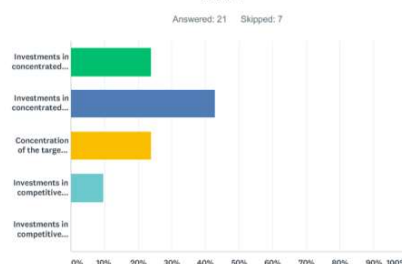
Q10 Does the Financial vs. Strategic motive influence the outcome of M&A?



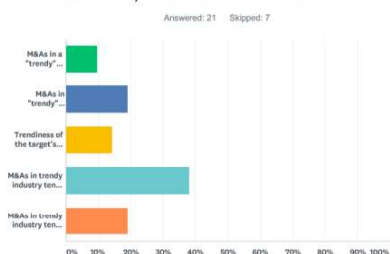
Q11 Does the dimension of integration influence the outcome of M&A?



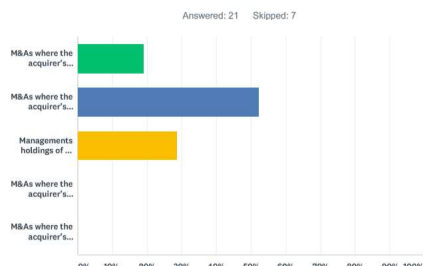
Q12 Does the target's industry concentration influence the outcome of M&A?



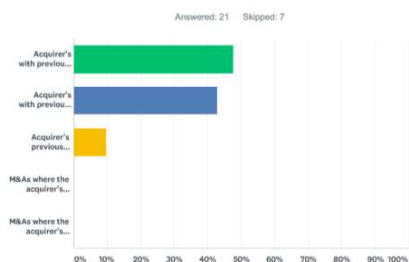
Q13 Does increased "trendiness" of a specific industry (increase in M&A activity within the industry in years directly preceding the transaction) influence the outcome of M&A?



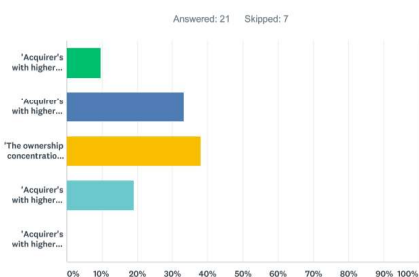
Q14 Does the acquirer management's holding of its common stock influence the outcome of M&A?



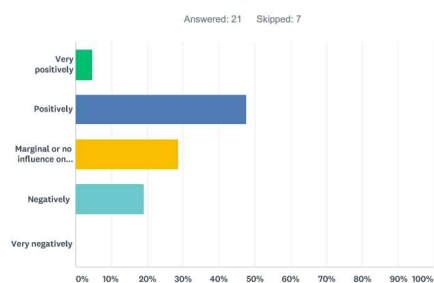
Q15 Does the acquirer's previous experience with M&A influence the outcome?



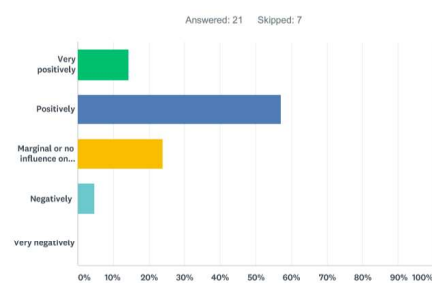
Q16 Does the concentration of Acquirer's ownership influence the outcome of M&A?



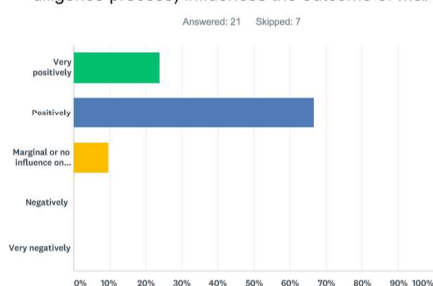
Q17 Time pressure throughout the transaction process influences the outcome of M&A:



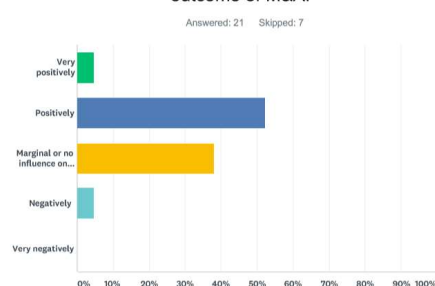
Q18 Greater scope of due diligence (Fin, Legal, Tech) influences the outcome of M&A:



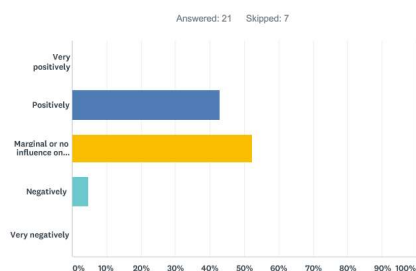
Q19 Setting an integration plan in the earlier stages (during due diligence process) influences the outcome of M&A:



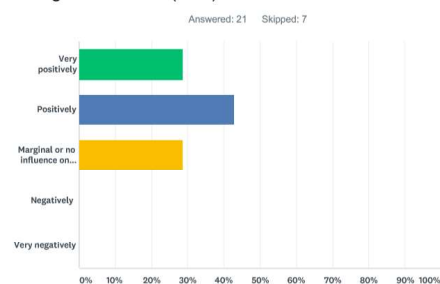
Q20 Cash as a mode of payment (as opposed to stock) influences the outcome of M&A:



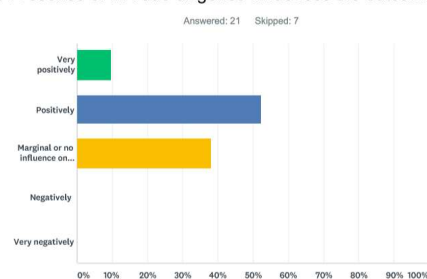
Q21 Choice of Locked-box structure as a pricing mechanism (as opposed to traditional Closing accounts) influences the outcome of M&A:



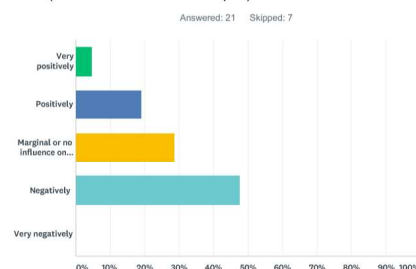
Q22 Deployment of specialized unit for integration such as Integration Management Office (IMO) influences the outcome of M&A:



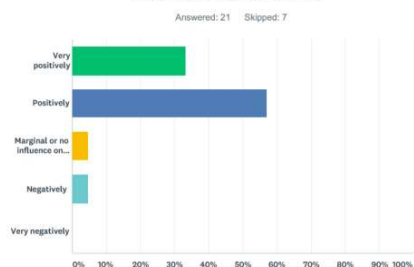
Q23 Presence of HR due diligence influences the outcome of M&A:



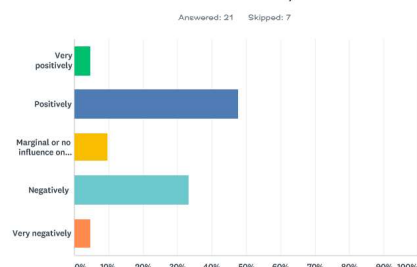
Q24 Use of sophisticated methods of valuation as opposed to multiple approach (such as EBITDA multiple) influence the outcome of M&A:



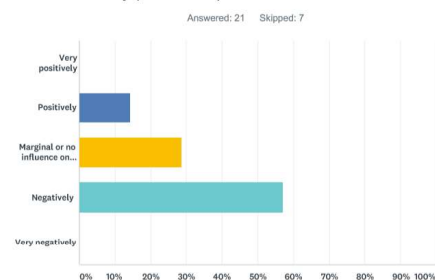
Q25 Perceived similarity of Target's and Acquirer's corporate culture influences M&A outcome:



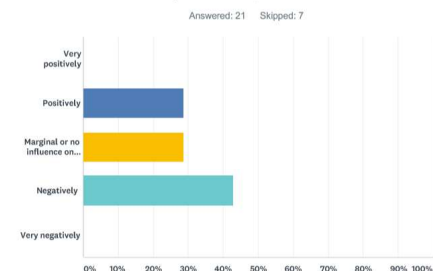
Q26 Dominant personality type of Acquirer's CEO (or the person responsible for the outcome of transaction) influences M&A outcome:



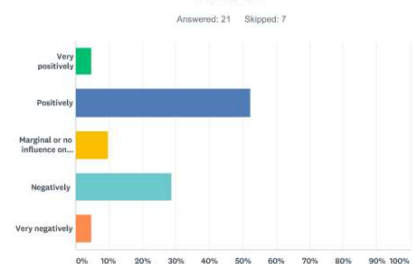
Q27 The removal of the target's autonomy (change of management, subsidiary position...) influences M&A outcome:



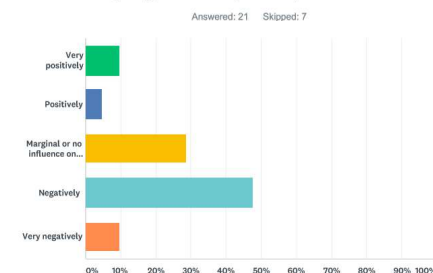
Q28 The target's Management thoroughly informing its Employees about the M&A proceedings influences outcome:



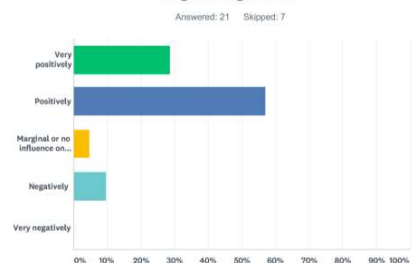
Q29 Previous personal relationship between the members of top management of the two firms undergoing M&A process, influences its outcome:



Q30 Difference in perceived level of formality between the management of firms undergoing the M&A process, influences its outcome:



Q31 Acquirer's management KPIs linked to long-term performance of target/integration:



Q32 Greater acquirer CEO's firm specific human capital in years (# of years the CEO of acquirer has been in the position) influences the outcome of the M&A:

