

# Preface

This book is related to Mergers and Acquisitions (M&As), considered as one of the most important competitive strategies in domestic as well as in international business. It touches the sensitive issue of M&A performance, generally considered difficult to capture. The majority of M&As are considered to be a failure for both or at least for one of the firms (Bertrand & Betschinger, 2012; Canina, 2009; King et al., 2004). We investigate this phenomenon from the perspective of processes involved in the evaluation of the target firm by acquiring firm's management. We believe that the success or the failure of M&As is dependent on this evaluation process and its objectivity. We scrutinize the scope of business evaluation and demonstrate how a realistic and effective process can lead to better M&A performance.

Conclusions drawn by most of earlier research are that such transactions do not result in better performance or that they erode acquiring firm's shareholder value and produce highly volatile market returns. A number of researches have analyzed reasons for such inefficiencies and have pointed out several factors. However, very little attention has been given to business evaluation process as an influencing factor. We investigate how the processes involved in the evaluation of a target firm influence the outcome of M&As.

Our research reveals that processes related to business evaluation have a significant impact on the outcome of the M&A transactions. Sounder, controlled, and interlinked processes can ensure better chances of their success. Further, boundaries of the business evaluation processes, for the sake of M&A transactions, need to be elaborated to make performance assessment as its integral part. This would help in shaping the performance of the transactions by taking remedial steps during their implementation. This book complements earlier researches and provides a holistic view on the factors influencing performance of such transactions. Hence, the outcome of our research would bring clarity in understanding the relationship and behavior between different components and related factors of business evaluation and M&A performance. Its conclusions would help the managers in strengthening the merger and acquisition process as well as, on a broader scale, doing business in foreign countries.

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