



BABEȘ-BOLAY UNIVERISTY

THE FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION

DEPARTMENT OF MANAGEMENT

**DOCTORAL THESIS SUMMARY**

FACTORS THAT INFLUENCE THE SUCCESS OF MERGERS AND  
ACQUISITIONS OF ISRAELI HIGH TECH COMPANIES

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**Key Words:** Mergers and Acquisitions, Technology driven companies, business strategy, Knowledge transfer, post integration management, Organizational change management.

## **Chapter 1: INTRODUCTION**

For over 30 years scholars and practitioners have been looking for an integrative theory that would enable successful Mergers and Acquisitions (M&A). Yet, most M&A destroy, rather than create value (Marks, Mirvis 2011, Finkelstein 2010, Brakman, Garretsen & Van Marrewijk 2008). The goal of this research is to improve the success rate of acquisitions in the technology driven sector through the identification of the most significant factors that affect the outcome of M&A and the way they impact the results.

The research is subscribed to interpretive philosophy and case study strategy. The research population includes three technology driven acquisitions that took place between 1999 and 2006. Using in depth interviews, observations and secondary resources the research provides a holistic, rich details description of the acquisitions and its outcomes.

The conceptual framework that guides the study pertains to a wide range of theories on strategic management, M&A in general and in the technology sector in particular, organizational studies, international business management and technology development management.

The key findings show that a robust business strategy is a foundation for a successful M&A. Other significant factors are organizational fit between the involved firms, the integration strategy of the target and the buyer, and the acquired management involvement in creating both expected and serendipitous value for all stakeholders in the transaction.

The key conclusions suggest that first of all buyers must carefully assess their business plans before they sign a deal and in a case of a low relatedness to the acquired business buyers should evaluate their strategy with the target companies. Second, it is

proposed that buyers should craft a "build to order" integration strategy that takes into account specific organizational fit issue and balance short and long terms needs. The execution of the integration should be driven by both the buyer and the target's management teams. Third, the acquirer and the target's management must work together to create an environment of a true partnership between the firms to enable a successful acquisition.

The study's contribution to knowledge is the identification of the specific factors that affected the results of researched cases and the development of an integrated, holistic description of the business, technology and organizational aspects that were most directly linked to acquisitions' performance.

The results of this research can be used as a blue print for an acquisition and integration strategy in the technology driven industries, and as a part of a broader scope, more qualitative oriented research on M&A.

## **Chapter 2: Research Topic and Environment**

### ***2.1 Research Topic***

The topic of the research is "Factors that impact the success or failure of mergers and acquisitions (M&A) of Israeli hi tech companies" This is a multidisciplinary topic that pertains to the fields of international business management, business strategy management, organizational management, and last but not least engineering and technology management.

### ***2.2 Research Environment***

#### ***2.2.1 Global M&A Environment***

Growth continues to dominate the minds of CEOs and their boards. Many companies find that the best way to get ahead is to expand ownership boundaries through mergers and acquisitions (M&A). At least in theory, mergers create synergies and economies of scale, expanding operations and cutting costs (Chatterjee 1986).

During last year (2011) more than 40,000 M&A were announced with aggregated value of over \$3 trillion. See Figure 2-1.

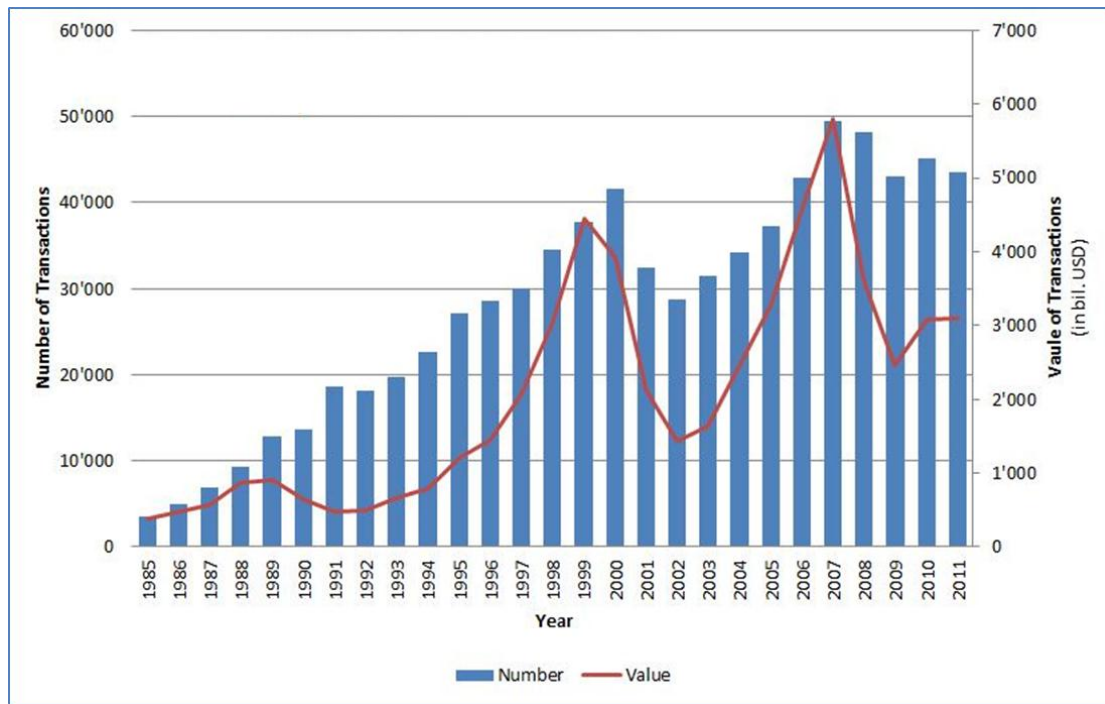


Figure 2-1: Announced Mergers & Acquisitions: Worldwide, 1985 – 2011

Source: IMAA, Institute of Mergers, Acquisitions and Alliances

This development, however, contradicts the fact that most M&A are considered to be unsuccessful (Marks, Mirvis 2011, Finkelstein 2010, Brakman, Garretsen & Van Marrewijk 2008). Although little transparency exists when evaluating the success or failure of M&A transactions and each method used to evaluate the success or failure has clear disadvantages, if we accept the failure rates in various studies measured with different approaches as a fact, at best M&A do no harm and their outcome is arbitrary.

### 2.3 Technology M&A environment

The technology driven sector is a particular active sector within the M&A scene. Acquisitions of small technology-driven companies are an important source of technological inputs for established firms in fast changing industries (Kale, Puranam 2004, McEvily, Eisenhardt & Prescott 2004). In a fast changing technology environment acquisition is often the fastest (if not the only) way to keep up-to-date with the new technical developments. As John Chambers, Cisco's president and CEO, said:

*"[In the high tech industry] if you don't have the resources to develop a component or product within six months, you must buy what you need or miss the opportunity." (Bower 2001)*

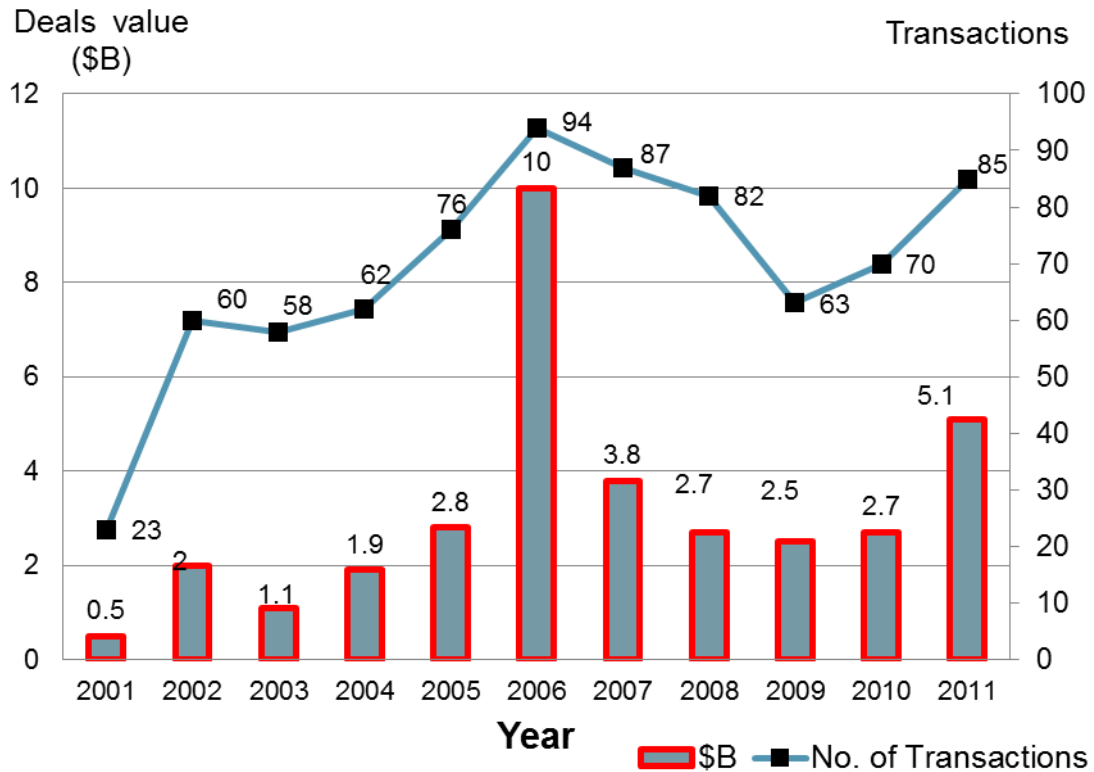
Technology acquisitions have helped Cisco to strengthen its videoconferencing products and drive demand for networking equipment, Oracle to broaden its business software offerings, and Dell to gain expertise in computer services. Other typical motivations for an acquisition of a technology driven company are accessing tacit, socially embedded knowledge, achieving strategic renewal and unfreezing “mental maps”. A unique technology driven M&A characteristic is the case of acquiring a company not because of a specific technology or a product it owns but due to the belief of the buyer in the acquired company capability to deliver future, yet unknown technologies and products.

Yet, like M&A in other sectors, most technology-driven acquisitions do not add value to the buyers. According to VentureOutsource.com, less than 10% of M&A that involve both new technology and new markets are successful. One potential explanation for this situation is the mere fact that M&A is a complex phenomenon and a technology driven M&A adds additional dimensions of complexity. The acquired asset is often intangible, tacit, socially embedded knowledge. This nature of asset poses unique challenges to both buyers and the sellers; How to assess a technology that is yet to be developed; How to keep the creativity of small teams when they are integrated into a much larger firm: How to keep the balance between the integration needs and the realization of the expected synergy and at the same time allow the acquired company the autonomy it needs to continue and develop its technologies. These are three examples for the unique challenges of technology driven M&A.

#### ***2.4 Israel Hi Tech M&A Environment***

Israel technology sector is a the major force in the global technology development scene. Building on the legacy of companies that pioneered new technologies and became industry leaders in various fields, Israeli high-tech companies experienced an impressive growth the last 30 years (Dan Sensor 2010). The numbers are instructive: Sixty Israeli companies are currently traded on NASDAQ, one of the largest numbers listed for non-U.S companies. In the last decade hundreds of Israeli technology

companies were acquired by international firms under the assumption that the newly created synergy will create shareholder value above the price paid for the acquired company. See *Figure 2-2* below.



*Figure 2-2: M&A of Israeli Hi Tech companies 2001 - 2011*

*Source: Israel High Tech Industry Association, 2012*

However, the success rate of these M&A follows the global statistics and many of the transaction failed to deliver the value the buyer were hoping for. As an example in May 2000 Lucent Technologies Inc. acquired an Israeli company, Chromatis Networks, for \$4.5 billion in stocks, and a year later closed the operation.

## **Chapter 3: Gap in Knowledge and Research Goal**

### **3.1 Gap in Knowledge**

As mentioned above, over 30 years scholars and practitioners have been looking for an integrative theory or a methodology that will enable successful mergers and

acquisitions. Yet Joseph Bower, a foundation professor of Business Administration at Harvard Business School summarized the state of M&A research in the following words (Bower 2001):

*"We know surprisingly little about mergers and acquisitions, despite the buckets of ink spilled on the topic. In fact, our collective wisdom could be summed up in a few short sentences: acquirers usually pay too much. CEOs fall in love with deals and don't walk away when they should. Integration's hard to pull off, but a few companies do it well consistently."*

In other words, M&A can be successful but most of companies still do not know how to do it. One potential explanation for the reason was suggested by Olympia Meglio from University of Sannio, Italy, (Meglio, Risberg 2010) :

*"We still know very little about what makes an acquisition succeed or fail, since research results are, at best, contradictory".*

### **3.2 Research Goal**

The goal of this research is to improve the success rate of technology driven M&A through the enrichment of the knowledge on factors that are most directly linked to the outcomes of these M&A. Enhancing the understanding of those critical factors and the ways these factors impact the results of technology driven M&A can improve the success rate of mergers and acquisitions in this sector and, pending future researches, will contribute to the success of M&A in other sectors as well.

## **Chapter 4: Methodology**

### **4.1 Conceptual Framework**

The conceptual framework of this research pertains to following four interrelated environments:

- A. The theoretical environment. This environment relates to a wide range of theories including theories on M&A as a business growth strategy in general,



with a special focus on theories on M&A in the technology driven sector, organizational studies, international business management, and engineering and technology management.

- B. The technology and market environment. This environment relates to the relevant technologies and the market within which the research takes place. Specifically, it refers to the Internet access market and technologies, the wireless technology and the wireless broadband technology.
- C. The industry environment. This environment refers to the technology driven industry, and particularly the Semiconductor Industry.
- D. The research methodology environment. This environment relates to business related research methodologies, particularly research methodologies in the technology driven M&A sector.

Figure 4-1 shows the four environments and the presumed relationships among them.

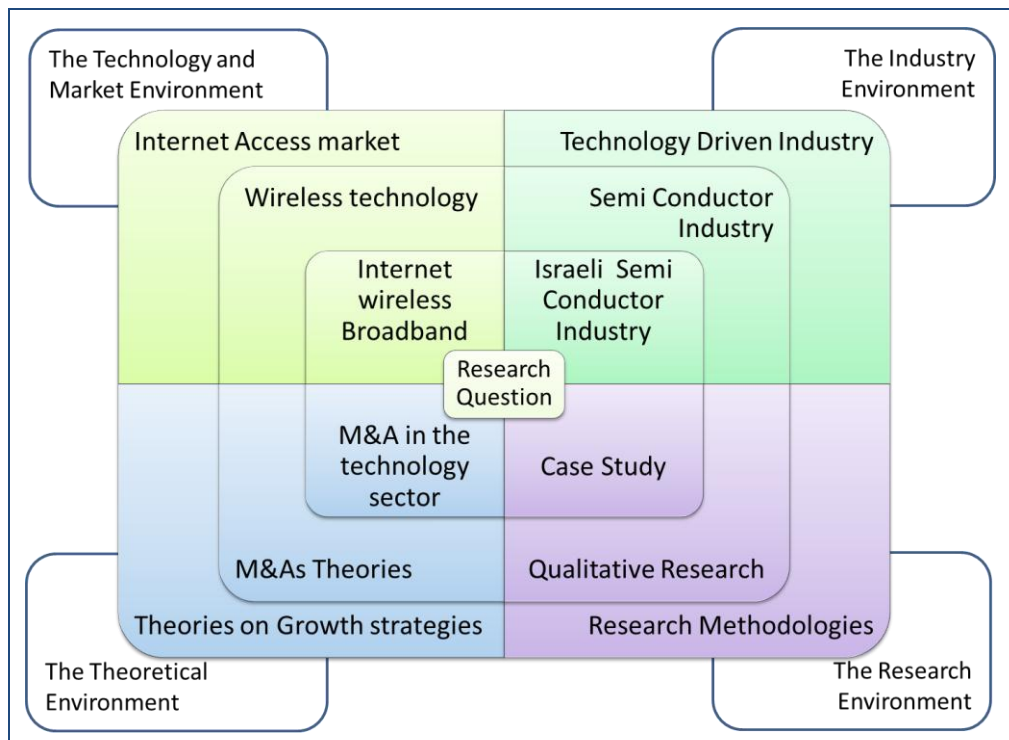


Figure 4-1: Conceptual framework

## **4.2 Research question and hypothesis**

The research question is: "What were the most influential factors, processes and decisions that affected the outcome of the three researched cases, and how did these factors impact the results? The basic hypothesis underlining the research is that in the three studied cases there were several factors that impacted the outcomes of the acquisitions in a more profound way than others, and that there is a common pattern for all three cases.

## **4.3 Research approach**

This research is subscribed to a qualitative approach, based on the interpretive epistemological philosophy and case study strategy. The following section describes the specific attributes of qualitative approach and case study method in the business research that make them the right choices to achieve the research goal.

## **4.4 The qualitative approach in business research**

A growing interest among scholars and practitioners is found regarding the applicability of qualitative research methods to international business research. This interest has been reflected in several publications (Marschan-Piekkari, Welch 2004, Welch et al. 2002) which draw on theoretical and methodological contributions within a cross-disciplinary field encompassing the discourse analysis, narratology, organization studies and others. Moreover, as Soderberg (Søderberg 2006) pointed out, the narrative analysis has potential not only in organization and management studies in general , where it has been widely acknowledged, but also in international business studies, where a narrative approach is almost untried. For example, in the in-depth examination of a cross-border merger, Soderberg and Holden (Søderberg, Holden 2002) reached the conclusion that the narrative approach may be seen as a means by which organizational members create the social reality that frames their sense of who they are, and it also underscores the significance of the managers' and employees' comprehension of the organizational reality that finds its reflection in descriptions of the acquisition-related events.

The narrative approach enables the researchers to grasp the interviewed managers' and employees' different sense-giving and sense making efforts in the specific context of the M&A deal. Even though conducting interviews among

organizational members can never be a method for tapping abundant, objective facts and information about any organizational reality, they are useful tools for the thorough examination of the ongoing and shifting construction and reproduction of organizational actors' identifications, a national and a corporate culture, a business unit, and so forth. As Soderberg and Vaara (Søderberg, Vaara 2003) noted, there are no ultimate "truths" in analyzing and theorizing talk and discourse, and the researchers generally put forth their own interpretations of the accounts and meanings produced by the senior executives and other interviewees. The differentiation between qualitative and quantitative data can be made in relation to their utilization in a research method (Dray, Siegel 2002). This has been done in the form of a table which compares qualitative and quantitative data in the context of research characteristics and relates this to the imperatives of the current research.

#### ***4.5 Case study approach in business research***

Since the research utilizes a case study method, the following section articulates the particular features of the case study method that make it an appropriate approach for the proposed research.

First, case studies are grounded in "lived reality". It is unavoidable that social researches simplify the phenomena investigated, and M&A, an extremely complex phenomena is no exception. However, case studies can do this in ways that strongly relate to the experiences of individuals, small groups, or organizations. They retain more of the "noise" of real life than many other types of research. Indeed, other forms of research, such as the experiment or a carefully structured questionnaire survey, base their success on the ability to exclude such noise, and focus precisely upon the particular phenomenon or possible causal relationship that is to be investigated. There are good reasons for doing much research in this way, but an unavoidable problem with it is that in some circumstances, the excluded noise may be a highly significant part of the story. This particular feature of case study research brings it closer to the experience of the individuals who are involved in M&A activities. For these individuals M&A is extremely "noisy" environment, with new constrains, uncertainties, and unexpected events are way of life. Just like case study researchers, they cannot exclude unwanted variables, some of which may have real significance for the outcome of the M&A.

Second, Case studies facilitate the exploration of the unexpected and unusual. From the above points it seems that the case study research can bring up significant issues that were unexpected when the research commenced. Case study investigations permit the examination of the exceptional, as well as the typical. Such cases are often excluded from other forms of investigation, which concentrate upon common patterns and themes in the data. But unusual stories can be valuable, in at least two ways: First, the process of M&A is unique and non-standard from the alternative evaluation phase to the completion of the Post-Merger integration phase. Granted, there are "standard" phases in all M&A, but the implementation and the issues that face the people involved are unique per case. It is of very little help to a practitioner if research says that in this situation "do that", if they are faced with a similar situation but the surrounding circumstances are different. Second, examining the exceptional case can itself shed valuable light on the nature of more normal processes. Moreover, even a single case study can later be used in a multiple case research, so researchers can identify and focus on the significance of the idiosyncratic.

Case study methodology was used in M&A researches in various industries, for example car industry, (Begley, Donnelly 2011), Banking (Konstantopoulos, Sakas & Triantafyllopoulos 2009, Rhoades 1998), Hi Tech (Drori, Wrzesniewski & Ellis 2011) and finance securities (Prager 1992).

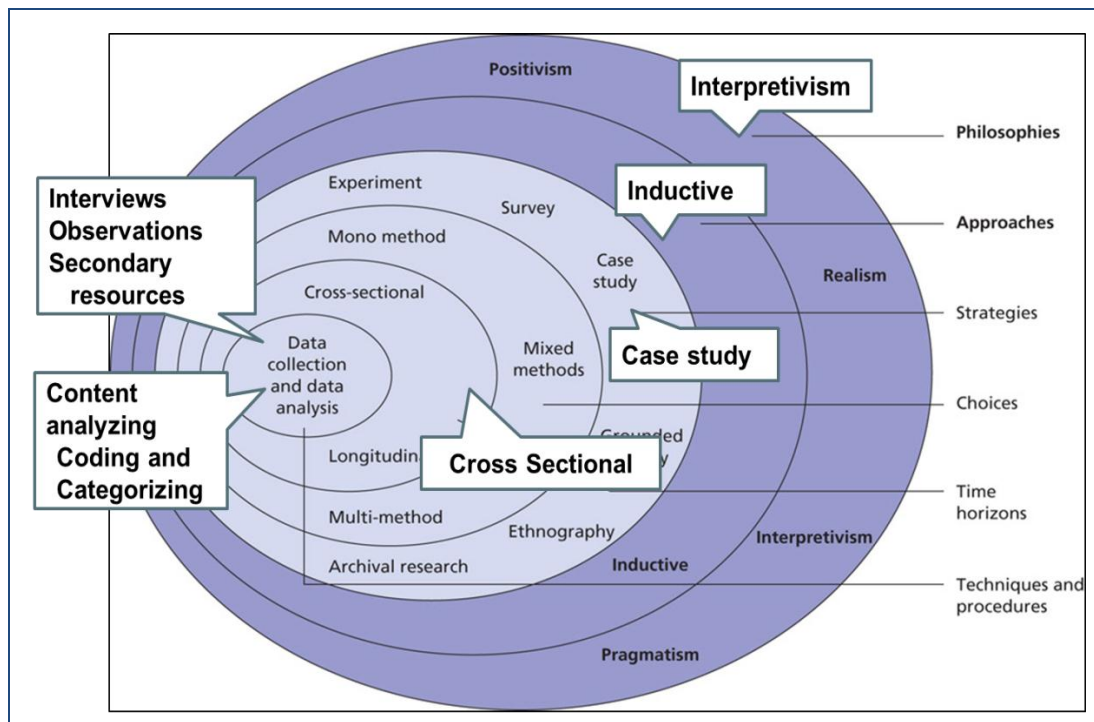
According to Creswell, (Creswell 2009), there are three variants of case studies, distinguished by the intent of the case analysis:

- A. The single instrumental case study. The researcher focuses on the issue or concern and the select one bounded case to illustrate the issue.
- B. Collective or multiple-case study. The researcher selects one issue but selects multiple case studies to illustrate the issue.
- C. Intrinsic case study: The focus is on the case itself, since the case presents an unusual or unique situation.

This research utilizes the collective case study approach (type B above). It provides in depth, data rich information on three acquisitions of Israeli technology driven companies. The decision to use three cases rather than one enabled this research to show different perspectives of the issue from one hand, and provide a mean of triangulation on the other hand.

As a general rule, qualitative researchers are reluctant to generalize from one case to another because of the different context dependency of each case. However, using this research with other researches will enable the researcher to identify issues and approaches which are common attributes across all or most sites, and those that differ significantly. In other words, the project will help identify the extent to which broadly generalized approaches to M&A are valid, or, put another way, the extent to which the idiosyncratic contexts of each case is what really matters.

To summarize, *Figure 4-2* below shows the "research onion" that provides a framework for the various alternatives of research philosophies, approaches, strategies, techniques and procedures to conduct a research. The specific choices of this research are mapped on this figure.

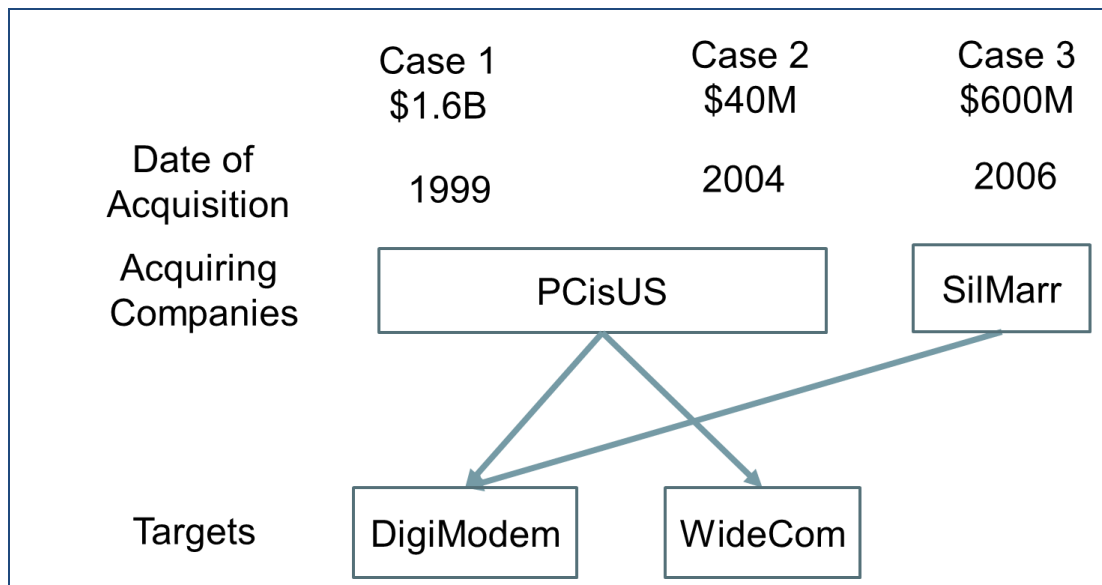


*Figure 4-2: The research onion (Source: © Mark Saunders, Philip Lewis and Adrian Thornhill 2006)*

#### **4.6 The research Population**

The research explores three acquisitions of Israeli Hi Tech companies. In all cases the acquirer and the target companies were involved in semiconductor for wireless broadband internet access market. The acquirers were global leaders in the semiconductor market while the acquired companies were small and medium size

entrepreneur companies, specialized in broadband wireless communication. In the first case (case 1) the buyer, (pseudonym PCisUS) a leader in microprocessors for the personal computers (PC) industry, acquired a mid-size cellular communication company (pseudonym DigiModem) for \$1.6B. Case 2 took place in 2004, when PCisUS acquired a small Israeli start up, pseudonym WideCom, in order to develop a new wireless technology. In the third case, another company (pseudonym SilMarr) acquired DigiModem from PCisUS for \$600M. See *Figure 4-3* for the test cases overview.



*Figure 4-3: Test cases overview (All names are pseudonyms)*

## Chapter 5: Findings

### 5.1 Acquisitions' Results

The first case was not a successful one and in year 2006 the buyer sold the acquired unit to another company at a significant lost value. In the second case, while the original objective of buyer was not achieved, the acquired team was reassigned to a different, yet related activity within the buyer's organization. As a part of the reassignment, the acquired team assumed wide responsibilities for the buyer overall wireless strategy. The result of this reassignment was a dramatic improvement in buyer's wireless business and thus created serendipitous value (Graebner 2004). In this

perspective the second acquisition can be considered as a successful one since serendipitous value came out from this acquisition. In the third case the buyer managed to create an \$800 Million business and transferred the knowledge of the acquired team to other teams in the company so in this perspective the acquisition was successful.

## 5.2 Critical Factors that Impacted the Acquisitions' outcomes

Figure 5-1 summarizes the key factors that impacted the outcome of each researched case, as came up from in-depth interviews with executives and employees in all companies. The data was triangulated with other resources to ensure its validity. The findings were analyzed using content analysis process that was carried out using a content analysis methodology (Creswell 2009, Elo, Kyngäs 2008) and Nvivo software tool.

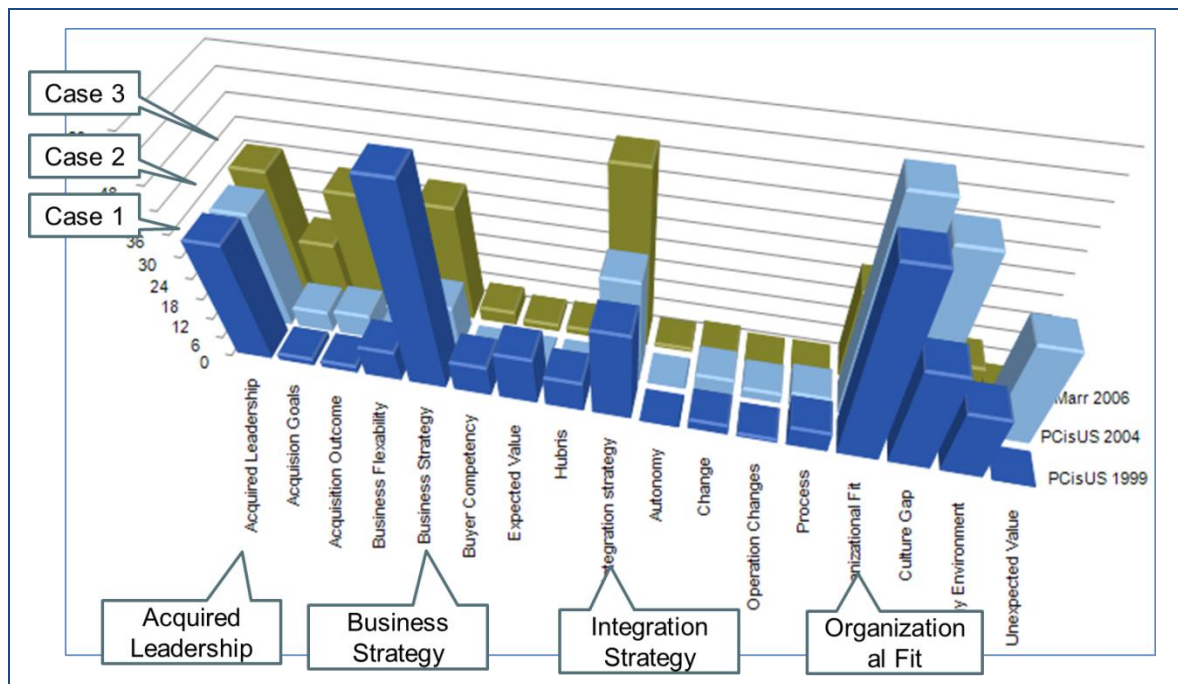


Figure 5-1: Findings

Several observations evolve from this chart. First, there is no "single size fit all" recipe. Each case is unique and thus factors that were significant in one case were considered less significant in another. Saying that, four key factors found to be most significant in its impacts on the outcomes of all investigated case. These are

- A. The business strategy.
- B. The organizational fit.

- C. The integration strategy.
- D. The role the acquired managers carried out during the integration process.

### **5.3 Business Strategy**

The first factor that affected the outcome of the acquisition was the business strategy. The CEO of WideCom summarized this as follows: "The business environment is the most important factor. The other envelopes are important, but only to a second degree" The business environment includes overall strategic goals, business strategy and acquisition goal. Business strategy and acquisition's goals are closely related but not necessarily the same. In the three studied cases the buyers' overall strategic objectives were very similar – entering the wireless broadband internet access market. However, although the end goal was similar, the business strategies to achieve the goal were very different in each case, and directly impacted the end results. The most notable case was case one that completely failed as the CEO of the acquiring company said "we were totally wrong on our strategy"

### **5.4 Organizational Fit**

The next factor is organizational fit. Organizational fit is a wide term with many dimensions that covers aspects ranging from the organization headcount size through business strategy to organizational culture (Datta 1991). The organizational fit dimensions that came up in this research can be categorized into two broad dimensions; Strategic and Operational issues, and cultural issues. Strategic and operational dimension included business and technology relatedness, team size, and geographical spread. The cultural dimension included process vs. result orientation, communication patterns and managerial practices. Figure 5-2 depicts the various dimensions of organizational fit that found to be most relevant to the studied cases and the inter-relations among them.



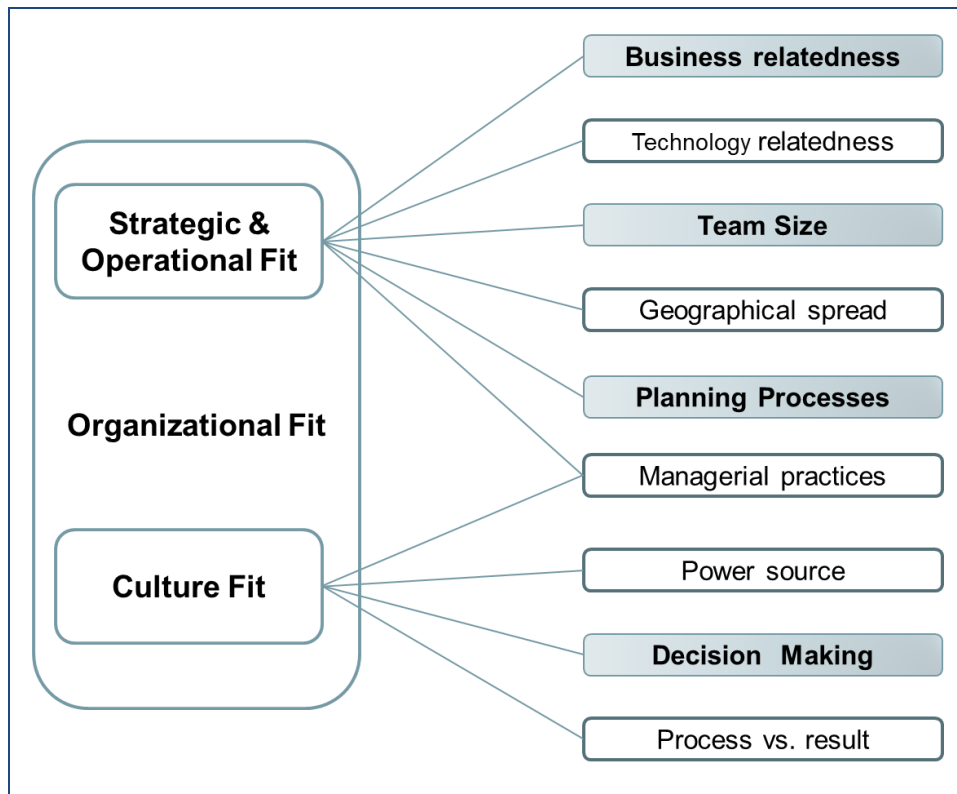


Figure 5-3: Organizational fit

Since all four companies involved in the case studies were technology companies in a similar industrial sector, as expected they shared many organizational attributes, most notably technical excellence and appreciation for professionalism. However, several fundamental and critical organizational differences found to have significant impact on the integration processes and on the end results of the acquisitions. Business relatedness, team size, planning processes and decision making processes found to be the four most significant dimensions.

### 5.5 Integration strategy

The next significant factor is Post Merger Integration process, namely the set of activities the acquirer and acquired teams carry out to implement the acquisition. The integration processes in all three cases were affected by two key factors: Acquisition goals and level of organizational fits. The integration process was a critical factor in cases one and two, where the buyer wanted the acquired company to work closely with many teams within the buyer's organization so a significant effort was put in the

integration effort. In case one the buyer took an aggressive approach that ignored several fundamental differences between the companies and contributed to the overall failure. A more relaxed approach in case two contributed to the successful results. On the other hand, in the third case, where the acquisition's goal was mostly transferring the knowledge, the buyer did not put much effort into the integration except for the basic requirements like consolidating financial reports and information systems.

### ***5.6 Acquired Team Leadership***

In all three cases the acquired leaders played a critical role. In case 2 the acquired leaders drove the key integration decisions and took a very active role in the integration process. Key areas that were undertaken by the acquired leaders included performing mobilizing actions, managing internal integration, proactively accelerating coordination across the two companies, performing mitigation actions, addressing employees concerns, sharing engineering responsibilities with the acquiring firm management, assuming cross organizational responsibilities and maintain real-time communications. Within this list sharing the engineering responsibilities turned out to be the most significant factor.

### ***5.7 Summary***

So to sum up, the four key factors that found to be most significant in its impacts on the outcomes of the investigated cases are the business strategy, the organizational fit, including business, operational and cultural fit, the integration strategy and the role the acquired managers carried out during the integration process. Figure 5-4 shows these four factors and the interrelationships among them.

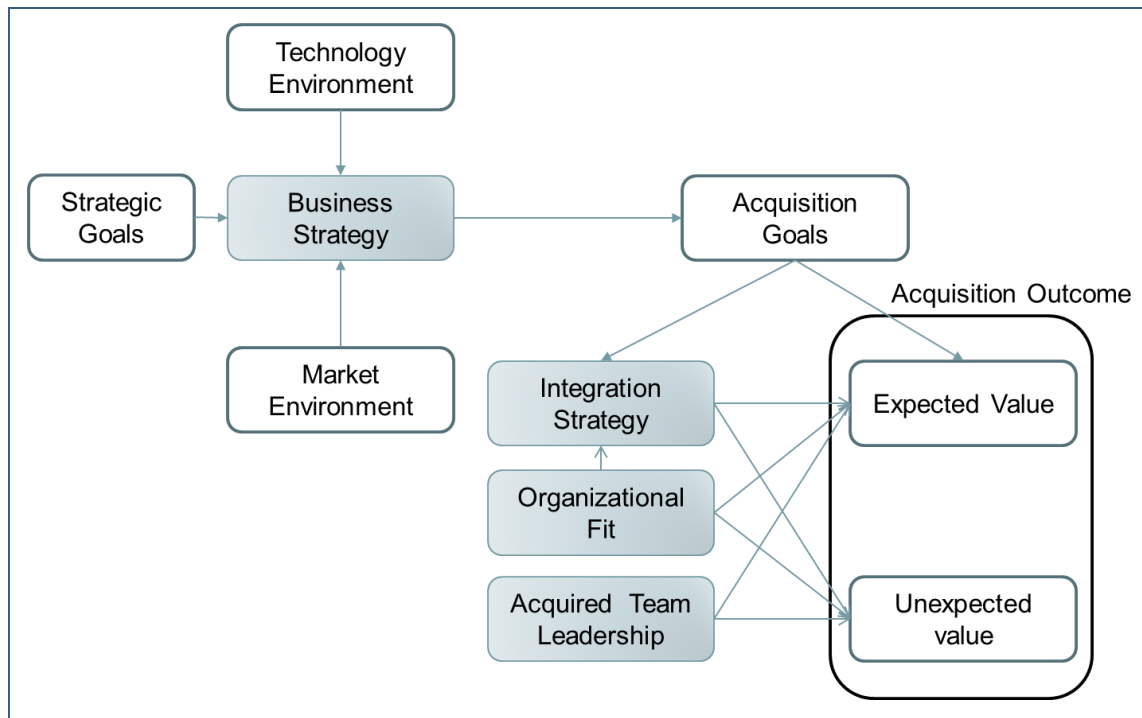


Figure 5-4: Key factors

## Chapter 6: Conclusions and Limitations

### 6.1 Business implications

A sound business strategy is a must for achieving expected results. This might sound as a trivial conclusion, but it is easier to say than to be done, and in two of the studied cases the buyer, a very capable and respected company, failed in that point. The common factor between them is that PCisUS did not have the expertise to realistically evaluate the level of investment required to be successful in the cellular market in general, underestimated the required resources to implement its strategy, and did not understand the dynamics of that cellular market. Ironically, this is why PCisUS acquired the two companies to start with. Yet, it seems that buyers must be aware to their own "blind spot" when entering a new business and carefully assess their own capability to introduce new strategies in areas new for them.

### 6.2 Organizational implications

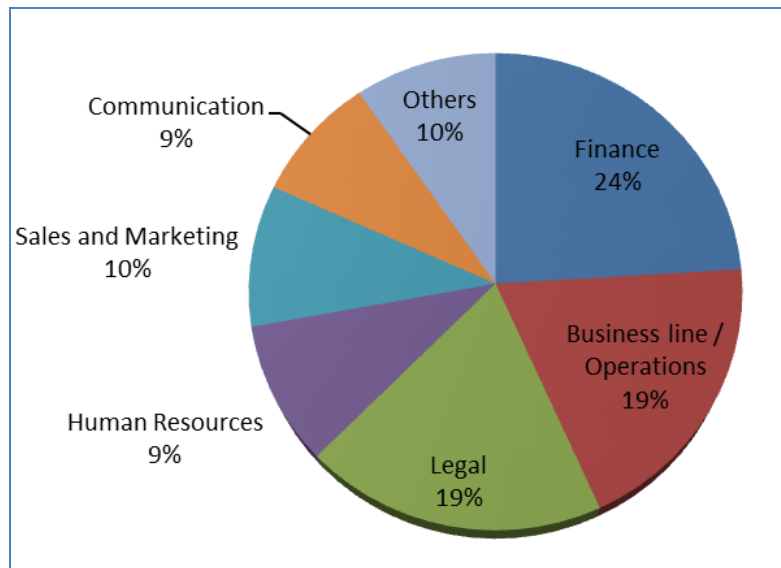
The organizational fit issue, including all of its dimensions came out as a critical issue in all cases. Buyers should develop awareness to the organizational aspects and

deal with it before and after the acquisition. In all cases there was a significant level of organizational gap between the buyers and the sellers, although the dimensions along which the gaps were identified were different, and the way these gaps were handled was different. In 1999 PCisUS practically ignored the gaps and faced considerable difficulties to implement its strategy, in 2004 PCisUS addressed the gaps and managed to harvest unexpected value from the acquisition. In 2006 SilMarr had a business operation strategy that minimize the interaction between teams and thus alleviated the need to address the gaps shortly after the acquisition. The bottom line is that buyers must identify the gaps, and address them in one way or another. Ignoring these gaps is not a viable alternative.

### **6.3 *Integration strategy implications***

A well-defined, detailed long range integration plan will have a significant impact on the acquisition's outcome. Two factors must be considered when setting up the integration plan. First, the plan must consider the acquisition's goals as defined by top management. Second, the plan must take into account the organizational gaps, with all of its dimensions.

The immediate implication is that the integration plan can-not be a standard one and by definition must be "made-top-order". This is a challenging task since evaluating the organizational fit between two organizations can be a time consuming task as much of the data is not explicit and can-not be gained through reading company reports. In addition, due to regulatory limitations, much of it can be done only after the deal sign-up. In all of the studied cases, although the integration process was found to have a significant impact on the outcome, the process itself was basically an ad-hoc process. Indeed, according to aon.com only 9% of the due diligence effort is dedicated to human resource aspects, which are a part of organizational fit but do not cover all dimensions of the organization. See Figure 6-1. This situation is actually a good opportunity for improvements for M&A practitioners who plan M&A and integration processes.



*Figure 6-1: Percentage of time spent on each function during due diligence*

#### **6.4 Post sign-up environment**

The post sign-up environment must be based on a true partnership between the buyer and the target. True partnership put the buyer and the target on an equal level field where each side listens to the other one and has a fair opportunity to impact decisions. Such a partnership was demonstrated in PCisUS 2004 case, and a lack of such partnership was demonstrated in the case of PCisUS 1999.

From the target side, the acquired leaders play a vital role in the integration process. Their attitude to the process is reflected throughout the organization and affects the day to day approach of all employees towards the integration process and eventually impacted the success of the whole process. Two vital roles have been demonstrated in the studied cases. First, an active role in driving the integration process as defined by Graebner (Graebner 2004). The other role, which was clearly demonstrated in PCisUS 2004, is the capability of the acquired leaders to challenge the buyer and point out critical mistakes that must be avoided during and after the integration. Last but not least is the target's willingness to change and adapt to buyer's strategy and practices.

From the buyer's side, often the buyer approaches the integration from a more dominating position, particularly if the case is of a large company that acquires a relative small start-up. Consequently, the buyer must be open enough and humble enough to

listen to the acquired managers. In PCisUS 1999 case neither PCisUS nor DigiModem demonstrated those qualities and the acquisition was actually doomed long before it was sold to SilMarr in 2006. In PCisUS 2004 both the buyer and the target had these qualities so even though the business plan failed an unexpected value emerged from that acquisition.

### **6.5 Limitations**

The first limitation of the study is linked to the fact that this thesis subscribes to interpretive beliefs and case study strategy. Therefore, it is not intended to withstand positivist scrutiny. This thesis, like other interpretive works, is based on the perceptions of the researcher and the informants and is therefore, according to interpretive beliefs, subjective. This might imply some limitation of the work, particularly in the generalization context. Yet, since the findings that come out form one interpretation of an experience can be used successfully by other businesspeople, this is a valuable work and the effort to carry it out was worth full.

The Second limitation is linked to the time perspective. PCisUS 1999 case was actually ended when PCisUS sold DigiModem to SilMarr in 2006. PCisUS 2004 was ended in 2009 when PCisUS abandon its mobile broadband business strategy and redirected WideCom employees to other assignments in PCisUS. The case of SilMarr has not been ended yet. SilMarr is still struggling its way in the cellular business and in spite of significant success in DigiModem acquisition it is still too early to make a final statement on the outcomes of that acquisition.

Third limitation is a direct consequence of the decision to focus on the High Tech industry, and in particularly on the semiconductors industry in Israel. While the findings of this research are relevant to this particular sector, extending the findings to other sectors must be done after an in depth research of the particular sectors.

## **Chapter 7: Contribution to knowledge**

This research has several dimensions of contribution to knowledge. First, since "Not all M&A are alike, and that matters" (Bower 2001) there is a need for an in depth research of M&A in specific sectors and industries. Researcher and practitioners can learn from research in a specific industry and sector more than a rather generic research. M&A is a too complex phenomenon to deal with generic tools. This research provides an in depth, data rich information on M&A in a specific industry sector. The particular industry sector, namely the semiconductors sector is a very active sector from M&A perspective and a significant industry sector.

Second, the narrative oriented approach of this research is unique. John Chambers, President and CEO, Cisco Systems said "In this business, if you are acquiring technology, you are acquiring people" (Pepper, Larson 2006), and According to Chaudhuri (Chaudhuri, Tabrizi 1999) "high-tech acquisitions need a new orientation around people, not products". Yet, as Stahl, Mendenhall, and Weber (STAHL, Mendenhall & Weber 2005) noted, the majority of researchers within the realm of M&A heavily rely on quantitative methodological that do not necessarily capture the sociocultural aspects of such complex and multifaceted organizational change processes as M&A. The narrative approach utilized in this research enables the researchers to comprehend the interviewed managers' and employees' different sense-giving and sense making efforts in the specific context of the M&A deal.

Last, but not least, the personal involvement of the author of this research in the events as they happened, both as a buyer and a target for acquisition provides a unique perspective to the understanding of the events as they happened.

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## **Table of Content for Doctoral Thesis**

FACTORS THAT INFLUENCE THE SUCCESSS OF MERGERS AND  
ACQUISITIONS OF ISRAELI HIGH TECH COMPANIES

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