Interlinkages between Mergers and Acquisitions and Economic Cycle: Turning Challenges into Opportunities

High activity levels of M&A market indicate redeeming confidence level in the economy. However, there is a puzzle of macroeconomic, microeconomic, geopolitical, and institutional factors that question sustainability of this growth. The study interlinks actual M&A occurrences with economic cycle from theoretical perspective and supports that mergers and acquisitions are always a decision for each individual company and a successful M&A does not just depend on the optimal timing of a transaction, but on a multitude of factors.

**Keywords:** mergers and acquisitions, economic cycles, development, implications.

Didelis susijungimų ir įsigijimų rinkos aktyvumas rodo atsigaunančią ekonomiką bei pasitikėjimo augimą. Tačiau makroekonominės, mikroekonominės, politinės ir institucinės grėsmės neišnyko. Straipsnyje sugrečtinami ryšiai tarp susijungimų ir įsigijimų bei ekonominių ciklų. Nagrinėjama, jog susijungimai ir įsigijimai yra individualus įmonių sprendimas. Šeikmingas sandoris priklauso nuo įvairių sąlygų, o ne tik nuo sandorio paskelbimo ir vykdymo laiko ar ekonominio ciklo fazės.

**Raktažodžiai:** susijungimai ir įsigijimai, ekonominiai ciklai, vystymasis, pasekmės.

**JEL Classifications:** G3/E44/O16.

**Introduction**

The year of 2014 has brought the long-awaited resurgence in mergers and acquisitions (further referred as M&A) as the global M&A deal values topped US$3.23 trillion in 2014. The year of 2015 is being signified with large scale deals as the unseen number of 45 M&A exceeding the value of US$10 billion has been announced during the first nine months of 2015, with a combined total of $1.15 trillion, up 89 % from the same period last year ($610.5 billion via 27 deals). These numbers indicate the highest first nine months volume and activity on record. The continued growth of M&A market is being signified by a rise in cross-border transactions, including...
between regions, as corporates seek to expand their global footprints and enter new markets. Furthermore, facilitating factor is that financing deals is not generally a problem, with excess cash on balance sheets and liquidity available from multiple global sources through an ever-increasing variety of innovative structures.

Even though significant growth of M&A market is appearing, the global economy expanded during 2014 at a moderate and uneven pace, as the prolonged recovery process from the global financial crisis was still saddled with unfinished post-crisis adjustments. Global recovery was also hampered by some new challenges, including a number of unexpected shocks, such as the heightened geopolitical conflicts in various areas of the world. Furthermore, it shall be remarked that six years after the global financial crisis, gross domestic product (GDP) growth for a majority of the world economies has shifted to a noticeably lower path compared to pre-crisis levels. Excluding the three years from 2008–2010, which featured, respectively, the eruption of the financial crisis, the Great Recession and the policy-driven rebound, four fifths of the world economies have seen lower average growth in 2011–2014 than in 2004–2007. It is being feared that a shift to a lower path of growth in most countries will become entrenched for a long period. For example, policy makers in China have indeed taken growth of 7.0–7.5 % as the new normal for the Chinese economy, compared with the average growth of 10 % that China achieved in the previous three decades. Moreover, there are significant geopolitical and economic uncertainties that affect prevalence and scope of M&A activities. In addition to the indefinite growth rates in the USA, China or Europe, the threat of political divides within the euro zone and fears around political gridlock in the US remain. Even though oil prices seem to be on a sustained, downward trajectory, economic sanctions targeting Russia continue to bite, and the results of government elections in the UK and Greece may have impacts far beyond those countries’ own borders. Overall, these and other similar macroeconomic and political concerns are combining to the uncertainty of M&A activities.

Leaving these converse arguments behind, it appears that despite uncertainty, economic cyclicalities and intense global situation, companies are implementing strategies that include gaining access to new geographies. Whether challenges create attractive opportunities or destructive threats depends on information level, agility and preparation to take manageable risks. Companies enhance their geographic diversification, increase investments in secondary markets and focus on growth outside their home regions as a response to the crisis. It highlights strategic nature of M&A as they allow firms to accelerate their growth in pursuit of business development outside their current markets while providing diversification benefits. Companies are searching for efficiency, access to new technologies, diversification are driven by desire to increase market share and market power.

Classical studies by R. L. Nelson (1966), M. Gort (1969), P. Steiner (1975), D. L Golbe and L. J. White (1987) unanimously conclude that changes in economic growth and capital market conditions are positively related to the intensity of takeover activity. However, there are inconclusive results regarding outcomes of M&A transactions throughout economic cycle (Eisenbarth, Mecki, 2014; Becketti, 1986; Martynova, Renneboog, 2008).
Considering the scientific debate how macroeconomic conditions and business cycle affects M&A playing field, unique data set of M&A transactions constituted during years preceding financial crisis as well as volatile macroeconomic conditions and global financial turmoil, the purpose of the research is to examine how prevalence of financial turmoil affects conducting M&A and value creation through this corporate expansion mode. The purpose of the research is to discuss and analyze how prevalence of financial turmoil affects conducting mergers and acquisitions and value creation through this corporate expansion mode.

Since complexity and significance of M&A have been growing since the very first M&A wave (1920s), various theoretical perspectives and research agendas have been employed to address complex questions of M&A. On the one hand, large part of papers employs quantitative methodology when discussing insights relative to structures, causes and consequences of M&A. On the other hand, qualitative M&A researches are far less popular even though they account for cultural, organizational, and social perspectives of M&A which are often been ignored by quantitative studies. The current research conducted has been prepared following two steps. Firstly, this paper presents results of a descriptive analysis and aims to answer the main research question by discussing developments of M&A in terms of volume and scope, identifying relationship between economic cycle and M&A activity levels, discussing implications of economic cycle to M&A performance, ascertaining markets best practices to deal with complexities in the M&A field during current turbulent market stage. Secondly, literature review serves as a foundation for the deductive approach employed as well as a basis to give a broader perspective to the research. By combining theoretical study and qualitative analysis of M&A market, research employs market and industry data, elaborates on and interlinks various existing studies in order to answer the main – as well as sub-questions of the research.

Global Outlook of the M&A Market

2014 was a notable year for global M&A activity as deal volumes and valuations have reached pre-crisis highs in some regions. The boom of M&A activities continued during the first three quarters of 2015 as well. However, as the year of 2015 has not come to an end and reliable statistical data has not been released yet, this paper analyses statistical data reaching up to 2015. Global M&A market overview (North America, Europe, the Middle East and Africa, Asia Pacific and Latin America) that includes number, value of M&A deals; number of large M&A transactions announcement together with and value of M&A transaction during the period 2000–2014 is presented in Fig. 1.

On the one hand, M&A market activity levels indicate that financial crisis (2007–2009) reduced M&A activity levels during years preceding financial crisis. The value of global M&A has fallen by 32 % to compare 2008 with 2007. Weak macroeconomic environment negatively impacting CEO’s confidence level and risk appetite in addition to the increased scrutiny by regulatory bodies and corporate shareholders on announced deals significantly reduced volume of M&A during 2010–2013. On the other hand, it shall be critically remarked that during 2010–2013 all of the
forces were aligned for a boom in mergers: cash piling up on corporate balance sheets, cheap financing and slow organic growth. Since 2011 consumer confidence was slowly growing and various size companies across multiple industries were building confidence and following in the footsteps of the market leaders in their industries that were experiencing growth by securing new markets. As the decade progressed and sub-prime crisis was placed under control, lending to finance deals was facilitated. Furthermore, companies have accumulated much needed cash as companies have exited parts of their business portfolio during progress of sub-prime crisis.

It has been remarked that global deals amounting to $3.6 trillion in 2014, up from $2.8 trillion in 2013, were supported by several significant factors. Firstly, an important aspect is that global M&A by deal value saw 35 deals of more than $10 billion amounting to $818 billion in 2014, up from 20 totaling $462 billion in 2013. Furthermore, US targets accounted for 43 % of all inbound transactions last year, up from 28 % in 2013. Surprisingly, global cross-border deals, valued at $625 billion, were at the highest levels since 2007. Furthermore, as equity markets increased, the use of stock to facilitate M&A transactions rose in 2014 to 33 % from 19 % in 2013. Finally, statistical data shows that there were $686 billion in failed deals, the highest level since 2008, due to increased regulatory considerations, interlopers and activist shareholders. It is important to note that a high level of failed deals is consistent...
with previous M&A upswings. Naturally there comes a question what are the reasons behind high activity levels.

Firstly, industry consolidation through M&A is gaining momentum in several sectors that are approaching inflection points. These sectors include TMT (technology, media and telecom) and healthcare. M&A transaction volume in these sectors has risen significantly due to large deals. Consolidation within the TMT sector is driven by fusion of telecommunications and broadcasting amid the ongoing Internet infrastructure buildout and technological progress in the digital realm. In the healthcare sector, pharmaceutical companies are utilizing M&A as they refocus on their highest-priority businesses in response to growth in new drug R&D costs and impending expiration of patents on existing blockbuster drugs.

Secondly, an important factor behind the recent M&A market growth is relatively low-cost funding from various sources to make acquisitions in the aim of industry consolidation. Since the financial crisis, companies, particularly major corporations and multinational enterprises, have been accumulating cash. Additionally, credit spreads and government bond yields in developed countries have generally been suppressed at low levels, resulting in an environment in which many companies can access relatively low-cost debt financing to fund acquisitions. Meanwhile, with equity prices rising, stock-for-stock acquisitions are also increasing in prevalence.

Thirdly, shareholders have become more receptive to M&A. Even if a prospective acquisition makes sense strategically and can be readily financed at advantageous terms, the deal will not occur unless the acquirer and target agree on acquisition price. In this respect, a recent appreciation in equity valuations has increased acquire-company shareholders’ financial incentive to sell their shareholdings. Moreover, in 2014 even acquirers often experienced share price gains after announcing major acquisition. According to Thomson Reuters, 136 M&A deals that were valued at $1 billion or more and involved a US acquirer were announced in 2014. The acquirers’ share price rose after the deal was announced in more than two thirds of these cases. By comparison, this ratio’s seven-year average is 50%. In response, acquirers’ shareholders have also become amenable to M&A deals.

Finally, from a strategical perspective, major factors underlying this process are attributed to emergence of globalization; need to create large entities to be able to compete for seeking out growth and profits. In addition, as investors are globalizing their activities, they seek higher rates of return and the opportunity to diversify risk. Subsequently, many businesses recognize the uncompromising demand to venture overseas, or within their region.

Economic Cycles and M&A Waves

It is being acknowledged that M&A market is signified as occurring in waves, with regularly alternating periods of high and low M&A period. J. Harford (2005), M. L. Mitchell and J. H. Mulherin (1996) found the reason to be regulatory, economic and technological factors together with sufficient liquidity of companies enabling them to pursue deals. Very often, high activity M&A periods are characterized by strong capital markets and thriving optimism about future prospects (Gregoriou, 2007). M. Martynova and L. Renneboog
(2008) concluded that patterns of M&A activities and their profitability vary significantly across M&A waves. Despite diversity, all waves are signified by several common factors: they are preceded by technological or industrial shocks, and occur in a positive economic and political environment, amidst rapid credit expansion and stock market booms. Takeovers towards the end of each wave are usually driven by non-rational, frequently self-interested managerial decision-making.

Various researchers aimed to identify relationship between economic and M&A cycles. Studies attribute M&A activity patterns to various macroeconomic patterns and emit two major categories: a) those that represent current (or future) economic conditions and, b) those that represent current capital market conditions.

According to the theory of current economic conditions, M&A will increase if current economic conditions are favorable that is if there is an economy-wide optimism of future economic growth. The stock market prices are usually used as a proxy of the current optimism about future performance, and in fact most early studies find a positive relationship between the stock market index and merger activity (e.g. Nelson, 1959, 1966; Weston, 1961; Gort, 1969; Melicher et al., 1983). According to the theory of current capital market conditions, mergers are affected by capital market conditions. If the short-term and / or long-term interest rates increase, the borrowing costs will increase, and as a result the costs of mergers are more likely to offset the benefits.

S. B. Moeller et al. (2005) concluded that many studies have been devoted to merger waves and their concurrence with booms in the economic cycle. Even though several researchers have focused on acquisitions during economic downturns from the perspective of a distressed firm that is divesting a segment of their firm and the liquidity or illiquidity of those assets (Shlingemann et al., 2002), there seems to be little research into whether it pays to be an acquirer during economic downturns. Acquiring on the downside of the economy seems to have it merits. If a firm is acquiring during an economic expansion and the longer the economy has been in this expansionary mode the more the odds increase that a downturn is eminent and with the downturn comes greater stress to make the merger work. Conversely, when acquiring during a recession, the further a firm is into the downturn the more the odds of an upturn increase and with the upturn come the advantages of integration during an expanding economy.

Classical studies by R. L. Nelson (1966), M. Gort (1969), P. Steiner (1975), D. L. Golbe and L. J. White (1987) unanimously conclude that changes in economic growth and capital market conditions are positively related to the intensity of takeover activity. R. L. Nelson (1966), according to the data analysis from 1895 to 1956, found that there were significant relation between merger and acquisition activity and the economic cycle, the industrial output value, stock prices, stock transactions and the industry merger, and pointed out that in active merger and acquisition activity the positive relation between M&A and stock prices are more significant than it is between M&A and the industrial output value. R. W. Melicher et al. (1983) through the analysis found that the relevance between M&A activity and industrial output, the number of bankrupt enterprises were weak, while the relevance between the M&A activity and the stock and bond yield in the capital
market were strong. High stock prices and low bond yields can predict the future as merger and acquisition activity indicators. Through the data analysis from 1951 to 1959 M. Gort (1969) found that the correlation of the M&A activity and the stock price did not exist obviously. S. Becketti (1986) employed a 40-year time window period 1948–1979 and analyzed US merger data with the objective to identify relationship between M&A and business cycle. Using a set of macroeconomic variables (short term interest rate, S&P index value, capacity utilization, GDP) the researcher concluded that merger activity increases during expansions and decreases during recession periods. D. L. Golbe and L. J. White (1993) according to the data analysis in 1895–1989, confirmed the M&A activity showed the characteristics of waves and pointed out that M & A activity was affected by the changes in the market, the cost of capital, the tax system, and other factors.

K. Srdan et al. (2011) remark that existing studies largely ignore the role of economic activity (macroeconomic factors) in general and business cycle in particular on industry-level merger activity. L. Junrong and W. Zhongfa (2010) supported that M&A and economic cycle dispose a causal and synchronic relationship. Specifically, their empirical research shows that M&A and production index are in faint correlation, while significant correlation and synchronization with stock price and interest exists. This supports that M&A interacts with financial indicators. Re-examination of relationship between merger activity and industrial production by S. Cook (2007) has indicated a statistically significant bi-directional causality relationship between M&A and industrial production. S. Cook (2007) study implies that M&A activity is associated with economic activity.

I. Eisenbarth and R. Mecki (2014) remark that the typical development of an M&A wave and thus also of a stock market cycle is divided into a low turning point, an upturn phase, a high point and a following downturn phase. Each phase of an M&A cycle is indicated by characteristic features and development trends, such as future outlook, liquid assets, and the debt burden on a company level and the share price or the interest on borrowed capital on a macroeconomic level. An M&A wave can be interpreted as being composed in the following way: during an upturn companies follow an increasingly strong procyclical “herd instinct”. This means that paradoxically, purchase decisions are made at the high point of an M&A wave, which are then value-destroying in the subsequent downturn. This can happen, for example, in order to save bonuses which are tied to annual achievement targets. It is evident that the implications of an M&A decision made during a downturn phase should also be considered in relation to the forthcoming upturn phase, and vice versa, which means a complete M&A cycle should be taken into consideration when making an M&A decision. This is particularly crucial when trying to optimize the timing of M&A decisions.

Implications of Economic Cycle to M&A Performance

C. H. S. Bouwman et al. (2009) examined whether acquisitions occurring during boom markets are fundamentally different than those occurring during depressed markets. Authors support that acquirers buying during high-valuation markets...
have significantly higher announcement returns but lower long run abnormal stock and operating performance than those buying during low-valuation markets. It is being concluded that this result is consistent with managerial herding.

Recent studies in macroeconomics and finance have emphasized a strong negative relationship between uncertainty shocks and capital investment policies. A study by H. Lovells (2012) investigated how global businesses are pursuing growth in an uncertain world and focuses on the development of successful strategies to navigate economic, political and legal risk, including the Eurozone debt crisis, protectionism and government intervention, the increasing burden of legislation, and the rise in shareholder activism. Specifically, the study refers that 9 out of 10 businesses identify economic uncertainty as a barrier to invest; 62 % businesses cite increased political uncertainty in business as an important issue, particularly for Eurozone countries. Furthermore, 88 % of companies predict organic growth rather than executing M&A deals and implementing external growth strategy during periods of economic uncertainty.

S. Gatti and C. Chiarella (2013) conducted an analysis and concluded that external growth (M&A) can represent a successful and value creating strategic move during periods of high-volatility, in particular for those who are building on a strong and stable core business and ample financial capacity, have been disciplined in completing transactions with a clear strategic rationale. Table 1 lists number of opportunities and threats for M&A transactions during uncertain periods from managerial point of view, i.e. the measure of a successful M&A deal is defined as the ability of the bidder to pay a lower premium than the expected synergies that can be captured from the transaction. The study empirically supports that uncertainty seems to de-incentivize external

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<th>Key process steps</th>
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<td>Clear M&amp;A strategy</td>
<td>Past track record of success is not necessarily the key to success for future deals. More difficult to estimate expected synergies.</td>
<td>Bargaining power shifts to the bidders. Increased opportunities to select among the best fitting sellers.</td>
</tr>
<tr>
<td>Well-executed preparatory phase and due diligence</td>
<td>More difficult to assess risk (higher opacity).</td>
<td>Selected target likely to be a less risky investment.</td>
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<tr>
<td>Disciplined execution of the deal / negotiation</td>
<td>Less freedom to impose the preferred method of payment. More difficult to set a fair premium for the deal.</td>
<td>Best buyers can use cash when needed (less financially constrained). Best buyers can more easily convince sellers to accept stock payments if sellers are carefully selected.</td>
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<tr>
<td>Post integration phase</td>
<td>More difficult to proceed as originally intended if general market conditions change unexpectedly.</td>
<td>Easier if the target has been carefully vetted in the previous phases.</td>
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Table 1

Source: summarized by authors following report by S. Gatti and C. Chiarella (2013).
growth. However, it also creates opportunities. Periods of high uncertainty, which are defined on the basis of the CBOE Volatility Index that measures implied volatility of S&P 500 index options, are associated with lower M&A activity. Even though deals announced in uncertain times show lower announcement return, both their long-run stock performance and operating performance are superior. Acquirers in periods of higher uncertainty benefit mainly from a more disciplined planning and execution of the deal, and to a smaller extent by negotiating from a stronger bargaining position.

To summarize the information, there are obvious de-incentivizing as well incentivizing factors to carry out M&A during uncertain periods. Real economy implies that uncertainty may provide a solid explanation why in certain periods M&A activity is limited despite economic motivations would be strong and conditions in capital markets would be favorable.

K. Grave et al. (2012) examined the increased complexity and challenge that cross-border acquisitions need to address in their effort to succeed globally in an environment of instability fueled by ongoing financial turmoil. The authors perceived following key developments in the M&A market that are identified as a result of global financial crisis:

New development in formulating innovative deal structures and defining creative terms is apparent.

Looking deeper into the supply chain to identify acquisition targets is becoming attractive particularly in cross-border M&A to diversify risk, and maximize control, efficiencies and productivity.

Increasing the influence of shareholders, maximizing legal arrangements and giving consideration to international political implications are all finding their way into the acquirer’s deal structure.

M&A advancement in growth markets augments global business innovation and vitality in challenging economic conditions.

Cross-border M&A is contributing to the change into our macro global political, social and economic integration.

Through focus on correlation between a company’s M&A behaviour and the situation in the capital market, recent study by I. Eisenbarth and R. Mecki (2014) investigated market for corporate control and analysed whether companies take advantages of phases with low asset prices to buy out other companies (behaving anti-cyclical), or whether they tend to buy out other companies (behaving pro-cyclical). Their study has shown that M&A behaviour is a pro-cyclical phenomenon (companies tend to initiate M&A during phases of high asset prices) whereas anti-cyclical transactions (taking advantages of phases with low asset prices to buy out other companies) are more successful than pro-cyclical ones in the long term.

A recent study by R. Duchin and B. Schmidt (2013) introduced an interesting perspective to the research of M&A. The researchers employed a large sample of 9,854 mergers that have occurred during 1980–2009. They investigated the consequences of merger waves and periods of high M&A activity levels for managerial incentives and firm value by studying the properties and implications of the information and monitoring environment that surrounds merger waves. The authors conclude that they have found evidence of higher levels of uncertainty and a poorer quality of analysis surrounding acquisitions initiated during waves relative to acquisitions initiated outside merger waves and periods of
high M&A activity levels. They tested whether managers of in-wave acquiring firms are less likely to be terminated following bad performance compared to managers of out-wave acquiring firms. These tests have supported that this is indeed the case and authors argue that this is because managers can “share the blame” with peers who also initiated mergers during the wave. R. Duchin and B. Schmidt (2013) posit that their findings may lead to worse post-merger performance of in-wave mergers relative to out-wave mergers via different channels. One channel is the higher costs of external monitoring, which may allow agency-driven managers to “get away” with bad mergers. Another channel is managerial herding, where career concerns may push managers to follow their peers and initiate mergers of deteriorating quality. Overall, the researchers link agency theory and merger waves and make a connection between the well-documented phenomena that mergers tend to happen in waves and the common view, shared by many practitioners and researchers, that some mergers are agency-driven.

Conclusions

Global M&A market activity levels have shown the largest growth in 2014 since 2007. Furthermore, the environment surrounding the deals has significantly changed. Global economic developments are changing landscape of M&A and identifying new targets that indicate a shift with significant impact to global practices. It is being remarked that global economic uncertainty highlights the value proposition offered by M&A. The nature of M&A has grown beyond a consolidation tactic to include strategic growth, expansion and innovation (Maney et al., 2011). Specifically, it is being proposed that companies are implying variations on the traditional motivation, typical reasoning and procedures of M&A. The research proposes that M&A can represent a successful and value creating strategic growth mode during economic uncertainty periods.

Future research and further conceptualization shall be directed to empirical investigation in this field and direction. It is recommended to perform analysis of accounting measures of profitability and soundness of cash-flows generation. Furthermore, academics are encouraged to measure short-term effects on the price of the bidder and target stock when deal is announced or perform a long-term study and investigate whether M&A deals executed during uncertainty periods over- or under-perform peer and market developments.

Notes

1 First M&A wave (1897–1904) is signified with dominance of horizontal mergers whereas second M&A wave (1916–1929) is characterized with vertical transactions. Diversified conglomerate deals dominated during the third M&A wave (1965–1969) while congeneric mergers, hostile takeovers and corporate raiding were common for the fourth M&A wave (1981–1989). Prevalence of cross-border deals was driving force behind the fifth M&A wave (1992–2000) while most recent sixth M&A wave (2003–2008) is characterized with shareholder activism, private equity and leveraged buy-outs (LBO’s).
References


The paper submitted October 25, 2015
Prepared for publication December 1, 2015
Finansų rinkose vyksta reikšmingas susijungimų ir įsigijimų sandorių aktyvumo pagyvėjimas, nutraukęs žemiausius aktyvumo lygias pokriziniame laikotarpyje. Stiprus augimas vyksta nepaisant netolygus rinkų ekonominio augimo (pastebėtina, jog augimo tempai yra mažesni nei prieškriziniame laikotarpje), netikėtų geopolitinio konfliktų. Dabartiniam etapui būdinga atskirų pramonės šakų konsolidacija, žemi finansavimo kaštai (sukaupti grynųjų pinigų rezervai banko balansuose, inovatyvių finansavimo struktūros, bankų skolinimas parankiomis sąlygomis), akcininkų noras iniciuoti ir dalyvauti sandoriuose, betarpiškas globalizacijos skverbimasis į įvairias įmonių veiklos sritis.

Susijungimų ir įsigijimų rinkai būdingas cikliškas procesas: reakcija į technologinius ir pramonės šokus, sparčią kredito plėtrą ir akcijų rinkos augimą. Susijungimų ir įsigijimų bei ekonominis ciklai disponuoja priežastiniu ir sinchroniniu ryšiu. Susijungimai ir įsigijimai potencialiai kuria vertę ne tik ekonomikos augimo, bet ir ekonominių svyravimų ir neapibrėžtumo metu toms įmonėms, kurios turi stabilią pagrindinę veiklą, finansiškai pajėgias ir sandorius vykdo atsižvelgdamos į ilgalaikės strategines priežastis.

Ekonominio nestabilumo metu sudaryti san doriai yra išskirtiniai dėl savo iršių, neapsakomų ir netradicinių sąlygų. Savo dažniausiuose etapuose san doriai dažniausiai yra įvykių, kurie gali turėti neapsaiko ir netradicines pokyčio formų. Tuo metu susijungimų ir įsigijimų san doriai gali turėti neapibrėžtą formą, o kai kurie jų dalyviai gali būti išnaujinami arba iškasti iš rinkos. Įsigijančios įmonės gali naudoti grynusius pinigus san dorinių apmokėti (mažesni finansiniai suvaržymai), be to, daugiau galimybių finansuoti sandorius įveikiant akcijas. Išskirtini keturi svarbiausi susijungimų ir įsigijimų sandorinių vykdymo etapai: 1) aiški susijungimų ir įsigijimų sandorinių strategija; 2) išsami analizė, detaliai atliktas pasiruošimo etapas ir informacijos atranka; 3) disciplinuotas sandorio įvykdymas ir struktūrizuotos derybos; 4) strategiškai vykdomas pointracijinis etapas.