

MNGT-E2009

International Strategy

Session 9 – International Mergers and Acquisitions



Aalto University
School of Business

Perttu Kähäri

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October 4, 2022

Agenda

- **Course practicalities**
 - Individual assignments
 - Case assignment and presentations
- **International mergers and acquisitions**
- **Break**
- **Professor Maria Andrea De Villa, EAFIT: Corporate Political Activity and Internationalization**

Assessment and grading

Course assessment will be based on the following components:

- **Class participation:** Attendance (10%), Active participation (10%), Feedback (2%), Forum posts (8%)
- **Individual assignments:** Final course report (25%), video assignment (15%)
- **Case study in groups:** 30%

Final grade (0 to 5) is based on the points below:

0-49 points	= 0
50-59 points	= 1
60-69 points	= 2
70-79 points	= 3
80-89 points	= 4
90-100 points	= 5

NB: All assignments must be returned to pass the course.

Individual assignments

Final report: Internationalization case analysis

**DEADLINE
20 OCT**

- Check the Team Finland webpage www.marketopportunities.fi
- Browse through the various Sales leads and Business opportunities and pick one of them
- Select a company (Finnish or foreign) that you think could take benefit of this opportunity

The screenshot shows the 'Team Finland Market Opportunities' website. The header includes the logo and the text 'Actionable insights - turning market insight into business: Global Team Finland network seeks proactively business relevant information to meet the needs of Finnish companies.' Below this is a search bar with the text 'Specify what you are looking for'. To the left of the search bar are four dropdown menus: 'Market area', 'Country', 'Industry or sector', and 'Content type', all currently set to 'All'. To the right of the search bar is a world map with a legend on the left showing a scale from 1 to 1k, indicating the number of opportunities in different regions.

Final report: Internationalization case analysis

In your report

- describe the business opportunity
- explain its potential
- make a proposal on how the company should respond to this opportunity
- propose a suitable internationalization mode, explain what other options there would be and argue why the company should choose this mode
- sketch an action plan using your selected entry mode
- explain also what else the company should take into account to grasp the opportunity

Note! If you have an own business or business idea, you can use that instead of the Team Finland opportunity. Clear this with Perttu first.

Video on a key learning

**DEADLINE
20 OCT**

Select one interesting learning point from the course

- from the readings, cases, guest speakers or any other course component

In the video

- explain the selected item, what it is about and why it is interesting and useful
- use different ways to argue for your point
- consider this as a sales pitch for your learning point
- your audience: masters students who have not taken this course

Making the video

- choose freely your format (e.g. interview, other visuals...)
- focus on the content and the clarity of your message
- technical quality or special effects are not important
- video is individual work, but other people can assist you in shooting it
- your video should be 3-5 minutes long
- video link must be uploaded to the assignment submission box - do not send us video files!

Case assignment

Case assignment

- All teams are progressing well
- Keep in mind the deadline and remember to focus!
- Your questions and Ville's answers are available in MyCourses

LeanLab Strategy Process Overview

	PHASE 1 Current State Analysis	PHASE 2 Scenarios / Strategic Options	PHASE 3: Vision and Strategy Development
goal	Understand where we are vs current and potential new market segments	Develop strategic options - navigation routes	Planning the roadmap on how to get there - 3 yr business plan to execute
what	<ol style="list-style-type: none"> 1. Competitive and trend analysis on selected market segments vs current 2. Internal analysis 3. Selected SaaS GTM interviews 4. Customer Personas 5. Customers Interviews 	<ol style="list-style-type: none"> 1. Strategic Navigation Alternatives assessed by <ol style="list-style-type: none"> a. Current positioning b. Customer needs c. Competitive landscape d. Realistic resourcing and economic outlook 	<ol style="list-style-type: none"> 1. Brand positioning / vision 2. Sales and marketing 3. Product Roadmap outline 4. Customer Success 5. Skills development 6. Financing, P&L
who	<p>LEANLAB BUSINESS TEAM</p> <p>AALTO (ISC)</p> <p>AALTO (CAPSTONE)</p> <p>LEANLAB BOARD</p>		
time	October	November	December

Case assignment deliverables

**DEADLINE
10 OCT**

Submit in MyCourses on 10 Oct (by midnight):

- 1) **Report** to case company in the form of PowerPoint slide deck, containing the analysis and potential solutions. The number of slides is not limited.
- 2) Pitch **presentation deck**, where you may use a subset of your slide deck.
- 3) **Excel** filled in with the data you have been able to find

Presentation on 11 Oct from 9.00-12.00:

- Live presentation with **all the team members present**
- **5-7 minutes presentation** and 8-10 minutes for questions and answers
- You can choose the presenters. Strong recommendation to have **max 1-2 presenters**.
- **Each team comments** on / asks questions from another team. Select your commentator beforehand.

Note the earlier starting time!

Presentation schedule on 11 October

Time	Presentation	Comments
09.00-09.05	Opening words	
09.05-09.20	Team 1	Team 2
09.20-09.35	Team 2	Team 3
09.35-09.50	Team 3	Team 1
09.50-10.05	Team 4	Team 5
10.05-10.20	Team 5	Team 4
10.20-10.35	BREAK	
10.35-10.50	Team 6	Team 7
10.50-11.05	Team 7	Team 6
11.05-11.20	Team 8	Team 9
11.20-11.35	Team 9	Team 10
11.35-11.50	Team 10	Team 8
11.50-12.00	Closing comments	

Evaluation

- Maximum number of points for the assignment is 30. Both the report and the pitch will be taken into account in the evaluation.
- **Your added value matters!** We also consider in grading:
 - Executive summary: What is this case study about?
 - Use of concepts, frameworks; rigor in analysis and quality of insight: How well do you use models/concepts as “glasses” to make sense of and explain the case? How well do you present your analysis and answer the question(s)?
 - Suggested action: feasibility, conditions, risks, etc.
 - Quality of the presentation: structure, logic, flow, clarity.
 - The number of students in the team

International mergers and acquisitions

What is M&A?

Mergers vs. acquisitions?

Seller, buyer (acquirer) and target

- Single buyers and targets vs. MNCs acquiring MNCs

Motives

- Synergistic
- Hubris
- Managerial

Role of regulation

When is it a cross-border acquisition?

- Reason for the acquisition (market seeking) or
- Consequence (resource seeking)?

Why do acquisitions fail?

- Pre-acquisition: lack of DD and contextual understanding
- Post-acquisition: integration, external effects

People implications

Group exercise: Analyse cross- border M&A

- Latest M&A cases from Talouselämä 33/2022 (23 Sep)
- Analyse in groups one case each
 - Why did they sell?
 - Why did they buy?
 - What are their international strategies?

T1: Sweden

T2: Germany

T3: Russia

T4 & T5:
Finland

T6: Denmark

T7: Norway

T8: Sweden

T9: Germany

■ ENEMISTÖKAUPAT						
Ostaja	Oskoneistus ennen, %	Oskoneistus nyt, %	Ostettu yritys, toimiala, toimipaikka	Liketilite, milj. e	Henkilöstö	Myyji
Sylvino Corporation, Yhdysvallat (pörssoikeittainen)	0	100	Nyrhillän paperitehdas, paperitehdastoinnita, Ruotsi	290	520	Stora Enso Oyj (pörssoikeittainen)
Schwarz Produktion, Saksa (Schwarz Group / Dieter Schwarz, Saksa)	0	100	Maksun paperitehdas ja siihen liittyvä onnitus, paperitehdastoiminta, Saksa	250	440	Stora Enso Oyj (pörssoikeittainen)
Esperia Ltd, Venäjä (Alexander Govrin ja Iury Koshenkov)	0	100	Huhtamäen valmistusyksiköt Alabugassa ja Neiteevkassa, pakkausalan yritys, Venäjä	100	724	Huhtamäki Oyj (pörssoikeittainen)
Currentum Partners Finland Oy (Cumonum AB, Ruotsi (Acad Management A/S ja yhdistelmä yritys))	0	100	Läho Group Oy, sähköurakointi-, asennukset ja -huolto, Helsinki	14	100	Läho Sähkö Oy (omistaja)
Currentum Partners Finland Oy (Redor, kuten yllä)	0	100	Bectok Oy, talotekniikkapalvelut, Seinäjoki	14	40	Bectok Invest Oy (Janne Rall noin 86 % ja Pertti Niittyliä noin 14 %)
Currentum Partners Finland Oy (Redor, kuten yllä)	0	100	PRS Talotekniikka Oy, sähköurakointi, Helsinki	7	30	PRS Tate Oy (Seppo Räsänen 52 % ja Jari Vuostoniemi 48 %)
Currentum Partners Finland Oy (Redor, kuten yllä)	0	100	PRS Service Oy, sähköhuolto, Helsinki	3	50	Seppo Räsänen Oy noin 52 % (Seppo Räsänen) ja Jari Vuostoniemi noin 48 %
Caverion Oyj (pörssoikeittainen)	0	100	CS electric A/S, sähkötyöskentely ja automaattipalveluiden tekninen suunnittelu, Tanska	13	40	C.S.E. Holding A/S, Tanska (Jan Mørch 50 % ja Søren Madsen 50 %)
Caverion Oyj (pörssoikeittainen)	0	100	Siras Klima & Kälde AS, ilmastointi-, kylmäteknikka- ja lämpöpumppujärjestelmien asennus, Norja	4	25	Yhtiön yhtiön työntekijöitä, Norja
Fleby Nya Silverstad AB, Ruotsi (Boreo Oyj / pörssoikeittainen)	0	100	Lackvästar's i Hälsoentorp AB, maalauspalveluiden toimittaminen, Ruotsi	10	1	Anders Karlsson, Ruotsi
Digia Oyj (pörssoikeittainen)	0	100	Awake Oy, digitaalisen markkinoinnin palvelut, Oulu	2	24	Valley Bros. Oy (Petri Laakso ja Jari Laakso)
Betonipumppaus Laotikainen Oy (Seppo Laatikainen 60 %, Jussi Sätönen 40 %)	-	-	Jyväskylän Betonipumppaus Oy:n liiketoiminta, Jyväskylä	1	4	Timo Ruuska ja Meri Kankaanperä
Perustettuna Tallent Group konserni (Tallent on Ltd., toimittaja SAS, Recrubes B.V. ja Syrija Oy), Ranska, Espanja, Alankomaat, Saksa ja Suomi) (P&G Equity, ohjauksen ja perustajat perheen omistajat AF&N & Dickison, Yhdysvallat)	0	100	YoonIQ solutions GmbH, HR-työkalut, Saksa	..	24	Sacha Taghavi, Saksa