

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Analysis of Resource Integration Strategy in Mergers and Acquisitions of Enterprises

Jie Rong

Assistant Lecturer, Department of Economic and Management, Heze University, Heze, China

Abstract:

With the continuous development of the global economy, mergers and acquisitions gradually became an important way to achieve expansion and growth, mergers and acquisitions is a multiple interests balanced game process, is a high risk business activity, resource integration will determine the extent of the enterprise future development. This paper analyzes the present situation and problems of enterprise resource integration in m & a is, and proposed the corresponding solution strategy.

Keywords: Merger and acquisition, resources integration, status quo, coping strategies

1. Introduction

Enterprise M&A (Mergers and Acquisitions, M&A) includes two meanings Mergers and Acquisitions and international habits combine in Mergers and Acquisitions, collectively referred to as M&A, known as Mergers and Acquisitions in China. Merger and acquisition (m&a) is also called the absorption merger, refers to two or more independent companies or merger of a company, usually by a dominant company to absorb one or several companies. Acquisition refers to a company to use cash or securities to buy another enterprise shares or assets, in order to obtain an asset, the total assets of the enterprise ownership of or control of the enterprise.

Mergers and acquisitions can gain control of the business target enterprise, thus the target enterprise directly or indirectly under the control of the enterprises own, give full play to the enterprise merger and acquisition management synergy, financial synergy effect and the advantages of the market share effect, make mergers and acquisitions both sides to improve management, reduce costs, improve the economic benefit, technical advantage and market competitiveness, etc., have been greatly improved.

2. Current Situation of the Development of Enterprise Mergers and Acquisitions in and Abroad

With the development of world economy, on the one hand, foreign companies want to through the enterprise merger and into China, on the other hand, Chinese companies are also beginning to go abroad for overseas mergers and acquisitions, as lenovo acquisition of IBM's PC, geely's acquisition of Volvo, TCL mergers of schneider, Germany and France's Thomson, cnooc and China minmetals abroad have had a similar mergers and acquisitions., merger and acquisition in many enterprises at home and abroad, presents the following condition:

2.1. Mergers and Acquisitions of Foreign Countries

Foreign mergers and acquisitions activity embodies the regionalization and integration of the world economic development new requirements on the allocation of resources and the characteristics of the current foreign mergers and acquisitions are: horizontal combination. Had appeared in the development of merger and acquisition, the horizontal m&a, vertical m&a and mixed m&a, etc. in the 1980 s, foreign companies entered the fourth acquisitions, enterprise's management strategy from simplification to diversification, therefore this period of merger and acquisition is a cross-industry vertical mergers and acquisitions. In the mid - ninetys, with the arrival of the fifth wave of mergers and acquisitions, foreign business run by diversified towards integration development further, so m&a mainly horizontal and in the same or similar field. At the same time in the wave of mergers and acquisitions, mergers and acquisitions of the object is in the industry more competitive enterprises, many companies put their biggest rivals in the industry as the objects of mergers and acquisitions, and these are mergers and acquisitions of companies are willing to own enterprise mergers and acquisitions in the same industry.

2.2. Mergers and Acquisitions of Chinese Enterprise

In the past few years, China's m&a, with rapid growth, China has now grown into Asia's third largest m&a market. Our country enterprise mergers and acquisitions of foreign firms have some successful cases, but most of them ended in failure. Enterprise from

the end of mergers and acquisitions to restore benign operation, is still filled with many risks. We need after thorough analysis of failure causes, speed up cultivating some large enterprises with international competitiveness, in order to promote our country enterprise in the position in the international market, actively join and promote the pace of economic globalization.

A famous economist in boao in China in the 21st century economic BBS said China is in an economic transition period, is also a massive m&a period, is expected in the next few years, China will be the climax of a merger. Mergers and acquisitions with foreign investment regulations to solve the foreign capital merger and acquisition of Chinese enterprises have encountered many problems. Mergers and acquisitions will be affected by the industrial structure adjustment policy, industrial enterprise m&a proportion will decline, and science and technology and the proportion of service-oriented businesses will continue to increase. M&a scale will expand dramatically, not only involves the use of the funds continue to increase, the way will also continue to increase.

3. Resources Integration Problems in Merger and Acquisition

Mergers and acquisitions at home and abroad, there are many problems in recent decades of mergers and acquisitions cases shows that the enterprise m&a failure is greater than the proportion of the proportion of success. According to a management consultancy, the analysis of more than 100 m&a cases found in the process of mergers and acquisitions at highest risk of two phases is the strategy formulation stage of the prior and after the merger of resources integration stage, especially in the latter is more apparent, and this is often enterprises seriously enough.

Due to some small dairy enterprises mergers and acquisitions, but bright dairy is for effective integration and management, lead to the once in 2009 due to quality problems in serious brand crisis, this in the development of the later is still a big stumbling block. HP upon completion of the acquisition of compaq three years later, President of Carly Fiorina, lifted the HP sales director, the position of the three officials, and the management of HP company made a big adjustment, Carrie had hoped to enhance company performance through company mergers and acquisitions, backfired, HP servers and storage group appeared a series of operational errors, the HP company lost almost \$1 billion.

Only achieve success on resource integration, mergers and acquisitions can be called a successful merger and acquisition; If only brand merger, and there is no perfect integration with management, will lead to the corporate image and product's two major crisis, waste of manpower, financial and material resources, seriously affect the operation of enterprises, enterprise stagnating situation. Mergers and acquisitions means the integration of resources, which requires enterprises to adapt to change, faster more efficiently to create performance, looks is not complicated, but it is not going to do. Strategy formulation and implementation, human resources, finance, marketing channel, the fusion of culture may be a performance obstacle, nightmare was affected by any carelessness.

4. The Measures to Solve the Problem of Enterprise Resource Integration after the Merger

4.1. The Scientific Enterprise Technology Integration

Technical indicators evaluation system, established by the enterprise technology for four elements: personnel, equipment, knowledge and management. And m&a enterprises need according to the technology of the four elements of target enterprise serious evaluation, evaluation of the overall technical level of the target enterprise, taking into account the matching of enterprise technology and m&a. the enterprise can choose according to the specific situation of oneself technology integration mode of concrete, such as technology transfer, technology integration, technology implanted mode, splicing patterns, technology independent model.

4.2. Strengthen Human Resources Management, and Stable Staff Team

First of all, to evaluate the human resources situation before m&a, the m&a enterprise available consulting company before the salary system of the target enterprise, incentive, performance evaluation and other human resources to conduct a comprehensive assessment. Second, to integrated management team. Due to the sudden will give employees the company structure adjustment brings great insecurity, thus forming a by mergers and acquisitions of both sides of the top managers and employees on behalf of a temporary organization is very necessary. In a new enterprise vision and goals, to help employees to enterprise's vision and goals from the past began to shift to the new enterprise, formed a kind of group cohesion. The second is to make sense of their own role as soon as possible, a clear role can make employees leave their post responsibility and own behavior, combined with the organization's goals. So on the one hand, increased employee participation in the enterprise integration, to a certain extent, reduce the employees' psychological panic; On the other hand, to strengthen the two enterprise communication, thus conducive to the smooth completion of the merger and acquisition.

4.3. Attaches Great Importance to the Corporate Culture Integration

First of all, to recognize national differences. Due to the enterprise culture conflict is mainly due to cultural differences in nationality, this is due to the enterprise caused by different geographical conditions, the staff and greater effects on the mind of the consumer, so the analysis of cultural differences is the key of integration. So enterprises should choose to understand the target company managers of culture and language. Second, the study of history. For employees, difference of enterprise culture is very sensitive, because enterprise culture is formed in the long process of intercommunity behavior standards, with very strong collectivism color, is a long-term and profound influence on employees. 1076350037 when 2 seems the omg is the most popular team lab2651669tes to an understanding of the connotation of enterprise culture, to the establishment of a new corporate culture also has a very good reference

and guiding significance. Third, establish a new corporate culture. By reasonable guidance, the employee would find a new equilibrium, thus forming a new culture of enterprise spirit, representative and formed a new corporate culture.

4.4. To Improve the Control of Financial Risk

Financial integration mainly for the integration of financial management goal. The vast differences in the different enterprise financial management goal, first to formulate a consistent after m&a financial management goal, keep the enterprise financial management work standardization and high efficiency. Second is financial management organization and function integration, mergers and acquisitions appointed financial personnel to the target enterprise, supervision and control over its financial work. Third, the integration of assets and liabilities, that is, the acquisition of assets and liabilities of both sides split, integration, to achieve the optimal allocation of financial resources. The fourth, the integration of financial management system, should be on the premise of the interests of the enterprise after the merger and goals to the company's financial policy, such targeted policies to comply with the requirement of the development of the company.

4.5. Brand Management of Resources Integration

First, brand protection, retain the original brand of the target enterprise, and through some marketing methods, to keep the original brand and further play a role, maximum use of the role of the original brand. Second, brand development, which is a new brand packaging, sales to replace the original enterprise products, is the typical "grafting". In addition, for the product has not been able to cater to the market need brand, most of these brands of the old and famous is widely accepted by consumers, through to reposition the brands of the target enterprise to again accepted by consumers, enterprise's vitality.

4.6. Integration of the Distribution System

The integration of the distribution system mainly includes the target enterprise internal and external marketing network marketing system construction, m&a enterprises must pay attention to the management of the enterprise and the external relations. This requires a buy-out firms put forward reasonable effective strategies to ensure the target company to the enterprise customers trust and recognition. Integration of distribution channel strategy has two kinds: one, division, the target enterprise distribution channels to maintain the existence of an independent state, the original and the target enterprise individually, each other; Second, the merger, the target enterprise as a production base, or a production workshop, its distribution channel access to m&a enterprise distribution channels.

6. Acknowledgement

This Paper is stage research achievements of Heze University's Regional economic and industrial competitiveness Research base.

7. References

- i. LinLi. Chinese enterprises overseas m&a strategy research [D]. Foreign economic and trade university. 2010:57-64
- ii. Yongxiu Dai. The organizational structure of the state-owned enterprise merger integration research [D]. Nanchang university. 2014:33-52
- iii. Ting li. Chinese enterprises transnational merger and acquisition integration research [D]. Lanzhou university of technology. 2009:108-123
- iv. ChaoFeng Dang. Human resources integration research based on the merger and acquisition [D]. Henan university. 2012:45-56
- v. Yujiao Dong. Mergers and acquisitions of financial integration thinking [J]. China's economic and trade. 2009 (18) : 22-25
- vi. Zhenli Yang. Mergers and acquisitions through the 4R [J]. Journal of economic BBS. 2009 (13) : 35- 37