

ONZIEME RENCONTRE INTERNATIONALE DU GERPISA
ELEVENTH GERPISA INTERNATIONAL COLLOQUIUM

Les acteurs de l'entreprise à la recherche de nouveaux compromis ?
Construire le schéma d'analyse du GERPISA

Company Actors on the Look Out for New Compromises
Developing GERPISA's New Analytical Schema

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**MERGERS, ALLIANCES AND ACQUISITIONS: THE "SMART" WAY OF
INTERNATIONALIZATION?
CONTRASTIVE ANALYSIS OF THE VOLKSWAGEN / SKODA AND
DAIMLER BENZ / CHRYSLER MERGER**

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Mergers, acquisitions and alliances played a major role in the restructuration of the European/world automotive industry during the 1990s. Basically the whole automobile industry in North-America, Japan and Europe was affected by this trend. In particular OEMs tried to enlarge their product portfolio or to access new markets by acquiring other brands and companies. Furthermore, mergers and acquisitions helped the companies to strengthen their position on the capital markets. Especially all "Big Three German" automobile companies used mergers, acquisitions and alliances during the 1990s to improve their competitiveness. This was a direct response to bad benchmarking results and a competitive disadvantage compared to other – in particular Japanese – car manufacturers. The "Big Three German" companies tried to change their market-, product- and production-structure in order to regain market shares and be less volatile to hostile take-overs. BMW tried to integrate the British company Rover but failed in doing so and had to sell – except for the brand Mini – Rover to a British consortium. Nevertheless, BMW was successful in buying the luxurious brand Rolls Royce. Volkswagen bought the Czech Skoda Group as well as several other brands and production companies (Bentley, Lamborghini, Bugatti, Cosworth, Gearbox del Prat, Scania). Mercedes Benz first bought the brand Smart, then merged with the US-American Chrysler Group to become DaimlerChrysler and after that established a joint venture with Mitsubishi Motors Corporation.

Obviously, the forming of mergers, acquisitions and alliances represented a major business fashion (not only) of the automobile industry – comparable to former strategic ori-

entations, like e.g. diversification (“Technologiekonzern”) in the early 1980s and concentration on core competencies in the late 1980s. Putting aside that this strategy was and is not the only choice for automotive companies to improve their position on the automobile markets (e.g. internal expansion, revival of old brands) it is also obvious, that opportunity (the willingness of a potential partner) and a certain position of power is necessary to adopt such a strategy of internationalization: all German companies were in the position of actors rather than reactors.

Besides the fact of being a mass phenomena and below the similarities of (possible) motives of waves of mergers, acquisitions and alliances during the 1990s all examples faced different constellations and challenges during the phase(s) of “post merger integration”.

Therefore, we would like to present two case studies: the example of VW-Skoda and Daimler-Chrysler. In addition we are going to compare the two cases with respect to the historical setting at the beginning of the process and the dynamics of merging autonomous companies as well as their impact on “profit strategies” and “governance compromises”. All the analysis takes place against the background of typically anticipated pay-off-effects of this expansion strategy. In other words, we do not want to compare (a priori or a posteriori formulated) means and ends of the respective mergers in the first place, but the specific circumstances and processes of the ‘biographies’ of the two mergers.

We will then try to build some hypothesis from the contrastive analysis with regard to the ‘smart way’ of internationalization by acquiring a partner and to the effects on the involved companies.