CROSS-BORDER M&A EFFECTS

# Key factors to achieve the most successful integration

Cross-border M&A transactions are nowadays being increasingly boosted by dealmakers. The main reason why drivers leading the main companies enter into this kind of ventures relies on the benefits that can provide to their business as it is a way to quickly gain access to new markets, new customers, or simply to increase sales volume in different regions.

The effects of international integrations could be very positive for both companies and society. On the one hand, tax benefits and costs reductions turn into profits. On the other hand, implementing diversification may create value for both shareholders and other stakeholders.

It is known that a successful M&A transaction needs the achievement of synergies, but seizing them, and even more important, assessing them in an international framework is complex. Why? As agents are exploring new worlds, new and unexpected regulatory and operational risks could arise. Considering some below-mentioned factors while tackling global deals could lead into a successful business and a way of reinforce a geographic footprint.

## Performing an extensive and complete analysis

At the beginning stage, while conducting the due diligence, it is essential to find all the possible country-specific risks that could arise. Therefore, researching and acknowledging the new or regional-specific regulations or the political context in which the operation is projected is essential. Requesting a local expert assistance will be always advisable.

## Integration pre-planning

As the case may be, the results of an international integration could lead into delays arising from administrative or burocratic sources or even from the different ways and methods of team-working. It is recommended (for the acquirer party, or for all the parties involved in a merger) to create a strategy at the early phases of the transaction, so as to implement it since day zero. Likewise, defining an operating model needs a structured program in which companies' cultures are aligned.

## Different jurisdictions, one governance

Finally, once the deal has been executed after the closing, the management team should go behind those aspired synergies and implement a synchronize governance focusing on the particularities of each jurisdiction and culture. Adding short-term milestones adapted to the different business sectors and countries may keep the staff motivated, therefore efficiency would be achieved.

In conclusion, cross-border M&A deals may be complex, especially given the wide range of aspects to be considered, but their effects and their impact could be exponentially profitable if tactical strategies are accomplished. For these purposes, analyzing foreign regulatory risks and performing a plan in which parties have a "thinking big, acting locally" philosophy shall be a key factor.

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