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The post-acquisition process: A broad perspective on the integration process of newly acquired subsidiaries

A case study of the Swedish car company Bilia AB

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Abstract

During the recent decades, it has become evident that the post-acquisition process is pivotal for ensuring high levels of acquisition performance. This process, along with its main component, the integration process, is a complex matter to say the least. In order to provide a more comprehensible overview of how the process can be properly managed, this study aims to identify the most prominent aspects and issues that managers have to consider, and to provide insights into how these can be overcome. A broad perspective of the previous literature on the subject has been taken, of which a summarizing model is presented. Through a single case study, qualitative interviews have been conducted with representatives of the Swedish car company, Bilia AB, which is in its early stages of growing internationally through foreign acquisitions. By extensively analyzing the insights provided by earlier research on the post-acquisition process as well as by the interviewees, a revised conceptual model of the aforementioned process has been constructed. The conceptual model includes three identified determinants, or fits: organizational, strategic and cultural fit. These relate to the level of compatibility between the acquiring and the acquired company, which subsequently determines both the level of integration that is suitable for the acquired subsidiary as well as the potential synergy effects that can be realized in the post-acquisition process.

Keywords: Post-acquisition process, Integration, M&As, Synergy realization

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List of abbreviations

MNC: Multinational Corporation

HQ: Headquarters

M&A: Mergers & Acquisition

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1. Introduction

In this introductory chapter, a brief background of the post-acquisition integration process is provided. Further, a problematizing discussion is held concerning the previous views on the aforementioned process as well as the need for taking a broader perspective when examining this subject. Lastly, the purpose of this study is stated along with the research question that this study aims to provide an answer to.

1.1 Background

During the recent decades, the extent to which firms perform acquisitions for either monetary or strategic reasons have steadily increased to reach unprecedented heights. Although this fact has sparked a related increase of practical learning, the academic field has struggled in its efforts to keep up and theoretically integrate its findings across many different fields (Haleblian, Devers, McNamara, Carpenter & Davison, 2009). Despite its popularity, previous research has suggested that a majority of all acquisitions fail to achieve what they were set out to achieve. In other words, firms tend to identify certain synergies that can be sprung from an acquisition, but later struggle to realize these synergies in the post-acquisition process (Barkema & Schijven, 2008). With this in mind, one could argue that it is a disproportionate amount of the earlier research on acquisitions that focus on the acquisition process itself, in terms of strategy and overall reasons for them to take place. Although the post-acquisition process is being somewhat neglected, Angwin & Meadows (2015: p. 235) mention that "[t]he post-acquisition integration phase is now widely recognized as a critical part of the Mergers and Acquisitions (M&A) process, and a main source of value creation".

Jemison & Sitkin (1986) provide one possible explanation for why well-planned acquisitions lead to disappointments, namely that it is a question of a lacking fit between the acquiring and the acquired firm. This fit is referred to as two-folded, namely the organizational fit, meaning the administrative and cultural practices, and the strategic fit, meaning that the strategy of the acquired subsidiary complements the strategy of the parent company (ibid). Acquisitions, however, can have a significant positive impact on an organization if done right. Among other aspects, acquiring existing firms internationally can increase the local responsiveness of a foreign market, both in terms of R&D as well as product and marketing modifications, as compared to other entry modes. On top of this, acquisitions have proven to be a better fit for multinational corporations (MNCs) than for larger companies operating on a global scale (Harzing, 2002).

Having established that acquisitions, if done right, are a viable option for firms to improve their operations, one must take a closer look at the difficulties companies face when integrating newly acquired subsidiaries. This is because the aspect of integration, with all the related parameters, is crucial for the overall success of an acquisition (Zollo & Meier, 2008). Furthermore, integration has been ranked as the most prominent factor for acquisition success, higher than financial and strategic factors, as stipulated in a survey conducted which covered answers from more than 200 European chief executives (Cartwright & Cooper, 1993). However, there are several problems that can occur which hinder or limits a successful acquisition in terms of integration. These stem from a range of issues related to e.g. cultural differences and competence related issues such as retaining talent (Mendenhall, 2005; Galpin, Whittington & Maellaro, 2012).

Apart from the aforementioned reasons for acquiring an existing firm, Harzing (2002) mentions that acquisitions can function as an equity-based entry mode for firms who are internationalizing. When expanding internationally through acquiring firms, cultural differences are bound to appear. These can range from the culture in a country in which the company is expanding into, to company culture as well as subcultures in the merging organizations (Viegas-Pires, 2013). While there might not be anything to do about the existence of cultural differences, there are methods that can be applied in order to combat the differences and enhance integration processes (ibid). One aspect relating to the relationship between an organization’s HQ and its subsidiaries is that of physic distance which is a term coined by Johanson & Vahlne (1977). The term explains the differences in factors such as language barriers, differences in education and business approach as well as cultural differences. These factors combined make up a hindrance for knowledge and information flows to and from markets (ibid).

Furthermore, the integration aspect of acquiring companies can be differentiated between task integration and human integration where the former relates to operational synergies and the latter concerns integrating the employees of both companies by creating a shared identity (Birkinshaw, Bresman & Håkanson, 2000). Another key difficulty when evaluating the overall success of acquisitions is the retention of talent (Galpin et al., 2012). The most obvious reason as to why the acquiring company should emphasize this difficulty is the loss of talented employees during the acquisition process. This is especially evident seeing how a potential driver behind acquiring a company in the first place relates to competency acquisition in terms of e.g. tacit knowledge (Birkinshaw et al., 2000). All the above stated issues and potential benefits of the integration process of a newly acquired subsidiary highlights the importance of not neglecting the acquired company in the post-acquisition process.

1.2 Problematization

Although negatively impacted by the Covid-19 pandemic, the total value of cross-border M&As globally have increased by almost 5 times since 1990 (UNCTAD, 2020). Therefore, issues and opportunities that arise from international acquisitions that have an effect on the integration process, such as the effect of the national context, e.g. culture, should be accounted for (Stahl, Chua & Pablo, 2012). The exact reason for why a company acquires another can surely differ from case to case, but the will to create value undoubtedly always plays a significant part. Earlier researchers have based their research on the fact that value creation exclusively takes part after the acquisition is made (Birkinshaw et al., 2000). This highlights the fact that the post-acquisition process is an important phase for companies who use acquisitions as their pathway to internationalization to consider more carefully. This view is somewhat contradicted by other researchers, as Marks & Mirvis (2001) claim that the fact that more than three quarters of M&As fail, in terms of financial objectives, is largely due to lack of preparation and thoughtless deal-making. Even if this is the case, the post-acquisition process cannot be overlooked in companies' search for synergies, which begs for a closer look at how companies can manage their newly acquired companies in the most efficient way. In earlier research on the subject, specific aspects and determinants have been looked at to study this particular issue (Datta, 1991; Weber, Shenkar & Raveh, 1996; Bauer & Matzler 2014), but there seems to be difficulties finding a comprehensive answer that includes all the main parts.

As has been made clear in the background, there has been extensive research made on the post-acquisition performance (Angwin & Meadows, 2015; Haleblian et al., 2009). However, there are innumerous different views on what aspects are the most prominent in this regard, such as organizational and strategic fit mentioned by Jemison & Sitkin (1986) or the role of cultural compatibility as mentioned by Cartwright & Cooper, 1993 etc. This, combined with the complexity of the process itself, has created an incomprehensible body of literature for a scholar or practitioner who seeks a deeper understanding for the subject. Moreover, there is not much research to be found that takes a comprehensive look at the post-acquisition process. Instead, earlier scholars are for example focusing either on the aspect of ‘fit’ between the acquiring companies and the acquired companies or merely on synergy realization. The case studies performed by Birkinshaw et al. (2000) is a glaring example of this, where a closer look at the post-acquisition process of multiple acquisitions is taken. Indeed, their research provides useful insights but is mostly focused on the aspect of value creation, where human and task integration have been used as the main indicators. Other examples include the research made by Björkman, Stahl & Vaara (2007), where cultural differences were used as the main aspect and Datta (1991), where organizational fit was put in relation to acquisition performance. Datta (1991) realizes this issue and mentions that in order to get real insight into how acquisition performance can be streamlined through academic research, there is a significant importance in taking a broader perspective of the subject as a whole. As established, earlier literature has covered the post-acquisition process quite extensively in terms of problems that might occur during this process. However, this body of research fails, to our knowledge, to present adequate insights into understanding the process holistically and to provide tangible solutions that can be applied to overcome the problems associated with integration.

1.3 Purpose and research questions

The aim of this study is to examine the post-acquisition process of internationally acquired subsidiaries. With a main focus on the integration process, we review how MNCs create the proper conditions for synergies, and also how they come to be realized, which leads us to the main research question:

RQ1: *How can the post-acquisition process for MNCs that acquire foreign subsidiaries be managed in order to create value in the form of synergy realization?*

Furthermore, in order to fully understand how this process can be managed, the main aspects have to be mapped out and understood. Therefore, we have constructed a sub-research question to capture these aspects:

RQ2: *What are the most prominent aspects for MNCs to consider when managing the post-acquisition process of internationally acquired firms?*

1.4 Research setting

The context in which this report will take place is based on the Swedish MNC Bilia AB, which will henceforth be referred to as 'Bilia'. The company will act as the focal point and be examined based on its previous and current acquisition processes, which lies at the core of the company's expansion strategy. These international acquisitions are performed in various countries in Europe, giving this report a European setting with Bilia's HQ located in Sweden. The reason behind our research setting is that Bilia's expansion strategy goes well in line with answering this report's research questions. Moreover, the geographical setting is established as a result of choosing the case company.

1.5 Delimitations

Although acquisitions are often closely connected to mergers when it comes to international business literature, the primary data that is collected for this study will only be in regards to acquisitions. This is done due to limitations of our empirical data as derived from our case company. As the studied phenomenon concerns the post-acquisition process, aspects which occur solely before this phase, such as acquisition price, screening processes and agreements, are disregarded. This is, if they are not directly linked to the post-acquisition process in isolated scenarios. Moreover, the influence that other subsidiaries have over one particular subsidiary's post-acquisition process will not be accounted for. Instead, individual subsidiaries will be studied and considered, as well as their relationships with their parent companies.

2. Theoretical framework

In this chapter we will present the different factors, or fits, that determine the compatibility between the acquiring and acquired company. This is followed up by a section on level of integration which acts as a guideline when establishing how much an acquiring company will integrate its subsidiary. The last section of the theoretical framework revolves around synergies, more specifically how preconditions are made and how they are realized. Lastly, a summary of the aforementioned steps are summarized.

2.1 Determinants of the integration process

When reviewing the literature, three primary themes that determine both the level of integration that is suitable for an acquired subsidiary as well as the potential synergy effects that can be realized in the post-acquisition process can be identified. These determinants are the ‘fits’ related to organizational, strategic and cultural features of both the acquiring and the acquired company, which is consistent with the findings of Ellis, Reus & Lamont (2009). Organizational fit relates to similarities and differences related to the internal processes within the two organizations, including management style and organizational structures (Datta, 1991) and different types of internally structured systems, such as reward and evaluation systems (Kerr & Slocum, 2005). The strategic fit is more focused on external factors, such as the two companies’ market positions and strategic focus (Homburg & Bucerius, 2005; Larsson & Finkelstein, 1999). Lastly, cultural fit in the context of acquisition integration is mostly concerned with the aspect of organizational culture (Chatterjee, Lubatkin, Schweiger & Weber, 1992); Angwin & Meadows, 2015), but extending the perspective to include foreign acquisitions, issues of national culture have to be accounted for (Weber et al., 1996). It is therefore key to examine the level of these three ‘fits’ in order to determine both the need for integration efforts as well as the potential for synergy realization.

2.1.1 Organizational fit

Post-acquisition integration is especially vital for an acquiring company when the target company is part of a diversification strategy, as opposed to acquiring an unrelated business, and therefore is expected to provide synergistic benefits. One substantial part of this integration phase is the organizational fit between the acquiring company and the target company (Datta, 1991). This is highlighted by Larsson & Finkelstein (1999: p. 16), who mention that “[o]f all the determinants of synergy realization we studied, organizational integration was the strongest predictor". Organizational integration, measured by Larsson & Finkelstein (1999) as the degree of coordination and interaction between two joining firms, was proven to have a significant positive correlation with both combination potential, which will be covered under strategic fit, as well as with synergy realization. Out of all the different aspects that make up organizational fit, two main features have been especially accounted for when analyzing this particular case, namely 'organizational structure & management style' and 'reward & evaluation systems'. Although integration in terms of organizational structure is not, to our knowledge, extensively touched upon in the literature on the post-acquisition process, it is a sensitive issue for acquisition performance (Puranam & Srikanth, 2007; Datta (1991). Integration of the related aspect of management style can both impede value creation as well as facilitate value-creating features, such as cooperation (Haspeslagh & Jemison, 1991; Larsson & Finkelstein, 1999). Integrating reward and evaluation systems is not only important for practical reasons, but can also help facilitate other aspects of integration, such as culture and communication (Kerr & Slocum, 2005; Datta, 1991).

2.1.1.1 Organizational structure & management style

Incompatibility of organizational structure is one aspect that Datta (1991) mentions as a leading reason for an acquiring company not being able to successfully manage the post-acquisition integration. Puranam & Srikanth (2007) found that the degree of structural integration of an acquired company has opposite effects on different aspects of post-acquisition performance. For example, a higher degree of structural integration increases the acquiring firm's ability to take advantage of the acquiring firm's knowledge, but simultaneously lowers its ability to take advantage of the capabilities that facilitate innovation. As expected, the highest performing firm before the acquisition is the one that imposes its organizational structure on the post-acquisition organization (Larsson & Lubatkin, 2001; Lin, 2014) One of the most prominent aspects related to this is similarities in management styles. Management style itself is a broad topic, but some of the main elements that have been used when describing the topic include attitude to risk, decision-making approaches, the desired level of control as well as how the management group communicates (Datta, 1991). Moreover, Haspeslagh & Jemison (1991) mention that leadership, which is somewhat synonymous with management style, becomes even more important after the acquisition. This is because of the ambiguity of the concept that is the new organization, which without a clear view of how it should be embraced can cause value destruction. The type of management style that a company implements has proven to not only have an impact on the integration of a newly acquired subsidiary, but also on the organizational performance as a whole. For example, companies with an organic structure, i.e. more flexible and less formal, benefit from implementing an entrepreneurial management style, while more mechanically-structured firms would not. An entrepreneurial management style is described as when managers base their decision-making on the possibility of it increasing the innovative and competitive dimension of the firm, even though the decisions might entail a certain level of risk (Covin & Slevin, 1988).

One key issue with the aspect of management style is that it is unique to each company. Datta (1991) mentions that procedures and policies that may seem like routine for one company, may seem reckless and ill-defined to the other. One explanation for this is that it is not uncommon for firms to choose between either 'common sense' and 'gut feeling' as basis for decision-making, or sticking to specific routines and formalized systems based on e.g. market research. The same is true for controlling and communication channels, where the preferred methods can vary between formalized channels and great operating control whereas the other prefer more loosely structured methods (ibid). This type of management style, whether it is the one or the other, is usually deeply rooted into the company's organizational culture and can therefore cause obstruction to the integration process. Furthermore, management style has a significant impact on the retention of key talent in the acquired company, which further emphasizes this aspect's importance (Zhang, Ahammad, Tarba, Cooper, Glaister & Wang, 2015). Significant differences in management styles can lead to an increasing uncertainty regarding which of the two parties' styles will dominate throughout the whole organization. As expected, it is generally the acquiring firm's culture and style that imposes on the acquired firm, which usually entails innumerous negative emotions in the acquired firm's staff, including anxiety, distrust and loss of identity (Datta, 1991).

In line with Datta's (1991) view of management style as attitudes towards risk-taking, authority and structure, Larsson & Finkenstein (1999) investigated the effect that differences in these aspects between two merging firms have on the acquisition. Its effect was tested in two separate regards, both in relation to organizational integration as well as in relation to the degree of employee resistance. Starting with its effect on organizational integration, the authors mention that the more similar the management style is between two joining firms, the higher the level of cooperation becomes. This increase in cooperation increases the potential for synergy realization, as interaction and coordination possibilities become far less difficult to manage across the organization. Although this argument has been made in earlier research, Larsson &

Finkelstein (1999) were unable to find a significant correlation between similarities in management style and operational integration. However, they did find support for their hypothesis concerning the relationship between similarities in management styles and employee resistance. The extent of employee resistance to an acquisition is therefore negatively correlated with management style similarities, as a result of the increased cooperation between the joining firms (ibid).

2.1.1.2 Reward & evaluation systems

Apart from differences in management styles between two companies that merge, other differences, such as in reward and evaluation systems need to be addressed. Innumerous other HR-related aspects of the organizational integration process are relevant for post-acquisition performance, but these two aspects are especially prominent in the existing literature on the subject (Kerr and Slocum, 2005; Datta, 1991). Reward systems are especially important, as they can facilitate managers' efforts to modify the organization’s corporate culture as well as to help them to communicate the attitude to all the employees in the company (Kerr & Slocum, 2005). Datta (1991) further mentions that the choice of reward system, as a part of the control system of the organization, has a significant impact on the integration process of a newly acquired company, and therefore on the post-acquisition performance. This is due to the fact that similarities in these types of systems make it easier for managers to integrate different systems. When members of the acquired company must adjust to the acquiring company’s reward system, it is not uncommon that conflicts occur (ibid). These conflicts are ordinarily sprung from two different reactions, namely arrogance from the acquiring company’s view that its reward system is the superior one, as well defensiveness from the acquired company’s side, as a result of its unfamiliarity of the new system. However, both arrogance and defensiveness can sometimes be a factor from both of the aforementioned parties (Jemison & Sitkin, 1986). Kerr & Slocum (2005) differentiates between different types of reward systems, depending on the corporate culture of an organization. In this regard, it does not matter which type of system a company uses, as long as the system matches the organizational strategy.

2.1.1.3 Significance of organizational differences

When testing the relationship between differences in management style and post-acquisition performance, Datta (1991) found that there was a significant negative relationship, even in those acquisitions characterized with a low degree of operational integration. This means that differences in management styles between the acquiring and the acquired firm are highly important to consider in the integration process, regardless of the preferred level of integration. While differences in reward and evaluation systems showed signs of having a negative impact on post-acquisition performance, no significant relationship was determined in Datta's (1991) findings, even in acquisitions with a high degree of operational integration. This proves that, while both the aforementioned aspects are important to consider, differences in management styles are more likely to have a visible effect on post-acquisition performance than differences in reward and evaluation systems.

2.1.2 Strategic fit

Strategic management literature stresses the importance of ensuring strategic fit in order for the future success of two different companies combining into one (Lubatkin, 1983). The main argument here is the simple fact that the increase in size entails more market power and productivity. One major part of this literature is the market-based view, in which relatedness is a significant factor (ibid). In the cases that the two joining firms are related in terms of industry aspects, the success factor is believed to be increased, even though there has been little empirical evidence to prove this position (Bauer & Matzler, 2014). Homburg & Bucerius (2005) mention that the degree of relatedness in terms of market position could facilitate the potential for cost reduction, which also means that a higher degree of integration can increase this ability. Another vital point is that the higher the level of relatedness is, the need to change the strategic focus of the company decreases. As change begets uncertainty, the level of uncertainty from the company's customers is less of an issue. As less uncertainty is believed to make the integration process faster, relatedness between joining firms can act as a facilitator for the post-acquisition process (ibid). Shelton (1988) mentions a method that can be used in order to determine whether the acquiring firm and the acquired firm are strategically related. This method is to look at four aspects of the strategic focus, namely similarities in customer type, product type, technology and purpose or function.

2.1.2.2. Combination potential

Although similarities concerning strategic features are widely recognized as important for post-acquisition success (Homburg & Bucerius, 2005; Ellis et al., 2009), strategic differences which can work as complementarities are believed to be as important for synergy realization (Bauer & Matzler, 2014). Similarities between the joining companies are more prone to boost synergy potential in terms of scale and scope, meaning efficiency-related synergies. By acknowledging complementary differences, the potential for added value is possible, which instead of merely facilitating efficiency can significantly enhance the company after the acquisition (ibid). When discussing ‘combination potential’ between two merging firms, Larsson & Finkelstein (1999) include both strategic similarities as well as strategic complementarities. Opposing earlier research that proposes that strategic differences can not only fail to create the potential for synergy realization, but even impede the process, the authors stress the importance of complementarities roles as key success factors. By testing the correlation between combination potential and synergy realization, a significant positive correlation was found (ibid).

2.1.3 Cultural fit

One aspect that plays a key role in the success of integrating acquired companies into an organization is that of cultural fit, the phenomenon alone however is not a guarantee for acquisition success (Lodorfos & Boateng, 2006; Marks & Mirvis, 2011). Cultural fit relates to the cultural differences that manifest themselves in acquisitions (Weber, 1996). The cultural fit between an acquiring and an acquired organization has been identified as a potential focal issue, according to Weber (1996), and the overall performance of an acquired company can reduce by as much as 25-30 percent as a result of cultures colliding in an acquisition in terms of integration (Cartwright & Cooper, 1993). This high level of failure has been widely attributed to a cultural misfit, in other words cultural incompatibility between organizations, further emphasizing the importance of culture in acquisitions (Bauer & Matzler, 2014).

In order to examine cultural fit and its components fully, one should first grasp the fundamentals of culture. There is extensive research primarily focused on two aspects of culture which is that of organizational and national culture when assessing cultural fit in acquisitions. Weber et al. (1996: p. 1223) highlight these two aspects’ relevance in this body of literature by mentioning that “[...] in international mergers, both national and corporate cultures play an important role”. The concept of culture in different contexts is rather difficult to define however, as it encompasses a wide variety of factors whilst simultaneously has been used to cover the whole concept in a rather vague manner (Alvesson, 2002). Furthermore, there are differences between national and organizational culture which makes a differentiation between the two concepts necessary (Hofstede, 2010). As stipulated, there is a vast range of definitions of culture in acquisition literature with overlapping definitions between national and organizational culture which causes confusion and could make it harder for both the HQ and subsidiary in terms of integration and adaptation. Moreover, without a clear definition as to what culture is, measuring and creating benchmarks in relation to acquisitions could become harder.

Although the cultural aspects of acquisition strategy have been widely covered in earlier M&A research, there are elements that are overlooked such as the interplay between different culture differences, e.g. national culture and organizational culture (Viegas-Pires, 2013). For instance, the phenomenon of organizational culture is exceedingly multidimensional and holistic which has not been fully covered in existing literature (Nahavandi & Malekzadeh, 1988). Furthermore, there are aspects of culture outside of the most prominent scope of research which could help explain failures related to cultural fit in acquisitions. One such cultural aspect is that of subcultures which may derive from e.g. occupational or functional origins (ibid). Another aspect is occupational culture which relates to the culture associated with an individual's line of work. Viegas-Pires (2013) proposes a concept related to occupational culture which is occupational proximity which is the degree of similarity between different individual's lines of work. The closer the individuals are in terms of work similarity the better as the occupational proximity facilitates sociocultural integration (Viegas-Pires, 2013).

2.1.3.1 Organizational culture

The impact that cultural differences in an organizational context has is more likely to cause problems related to e.g. socio-cultural integration and synergy realization, as compared to mismatches in culture on a national level (Bauer & Matzler, 2014). However, based on existing literature, it is evident that organizational culture cannot be examined in solitude without also scrutinizing the effects that differences or similarities in national culture has in an acquisition and vice versa (Viegas-Pires, 2013). Furthermore, organizational culture is also relevant such as in the case of attracting and retaining key talent. Bartlett & Ghoshal (2002) proposes that, in garnering a beneficial organizational culture in terms of e.g. motivation and engagement, the company can build competitive advantages.

According to Schein (1990), culture, in an organizational context, derives from any given group's shared history and what this group has learned in terms of problem-solving in relation to its external environment as well as in its problems regarding internal integration. It is evident from this perspective that culture is rather time-sensitive and not a phenomenon which can be created or altered without applying time as a factor. Furthermore, Schein (1990: p. 111) mentions that culture can manifest itself in three levels: "[...] (a) observable artifacts, (b) values, and (c) basic underlying assumptions". The first one relates to a rather concrete phenomenon such as dress codes and the way individuals in a workplace interact. The second level and the third level both encompass more abstract and cognitive aspects as they include the norms, assumptions and beliefs and these can be underlying and unconscious making them rather hard to decipher (ibid). Another aspect for the concept of culture which relates to the previous definition is that culture is a set of values, beliefs and practices (Björkman et al., 2007). As stated earlier, it is evident that the concept of culture encompasses a wide range of factors and, as a result, is rather vague.

The organizational culture will be negatively impacted by a loss of cultural autonomy in the subsidiary following an acquisition which can create firm disruption (Angwin & Meadows, 2015). This is prevalent in acquiring companies which are 'unicultural' in that they prefer to keep their own culture and impose it on potential acquired companies (Nahavandi & Malekzadeh, 1988). Moreover, making changes in organizational culture tends to derive from the HQ onto its subsidiaries which means that the acquiring HQ must be aware of its cultural tendencies to ensure a proper fit (Chatterjee et al., 1992). Taking an opposite approach and allowing the acquired subsidiary to retain its culture will allow for the phenomenon of multiculturalism to happen. These two contradicting viewpoints, together with how related the acquiring and the acquired company are in terms of industry, can have an impact on the success of the acquisition in various ways (Nahavandi & Malekzadeh, 1988). For instance, if the acquiring company poses a 'unicultural' standpoint, the acquired company will be either assimilated or decultured. In other words, the subsidiary will see a forced loss of their culture, depending on the relatedness between acquiring and acquired company. Furthermore, in order to achieve integration, the acquiring company should pose a multicultural standpoint while the acquired company shows signs of relatedness (ibid). Failing to overcome cultural differences between the merging organizations can create a vast range of problems such as polarization between the HQ and subsidiary (Schweiger & Goulet, 2005)

2.1.3.2 National culture

The second type of culture, national culture, is particularly related to the internalization aspect of acquisition strategy as it concerns differences in cultural characteristics between countries, based on a learned mindset related to a group or society (Hofstede, Hofstede & Minkov, 2010). National culture somewhat shares features with organizational culture in that it is built up by e.g. values and norms but can also influence organizational cultures positioned within national borders (Ghemawat, 2007). Furthermore, where organizational culture derives from factors in an organizational context, the national counterpart has its origin in any given nation (Hofstede et al.,2010).

There are several arguments made to emphasize the relevance of national culture in a multinational acquisition. For instance, differences in national culture between the affected organizations can create uncertainties and obstruct integration leading to a forced increase of integration which subsequently equals a higher cost for the acquiring organization (Brock, 2005). Gomez-Mejia & Palich (1997) argue that the greater the value of cultural distance the harder it is for an organization's HQ to keep track of its subsidiaries in terms of local interests, thus putting emphasis on organizational control systems. With an increase in the controlling aspect of acquiring a subsidiary the transaction costs related to the acquisition will increase as a result (ibid). Furthermore, this has an impact on the synergy realization aimed to be achieved by the acquiring organization as more problems during an integration process, accompanied with a lack of resource sharing lead to lesser values of synergy realization (Brock, 2005).

The most prominent comparison tool on national culture perhaps derives from the empirical studies by Hofstede et al. (2010). Here, individuals' nationality was used as a foundation for examining national culture which, in the first edition, rendered four dimensions of culture (ibid). These are individualism versus collectivism, power distance, masculinity versus femininity and uncertainty avoidance (Brock, 2005). The degree to which a country is either individualistic or collectivistic relates to the construction of ties between individuals in a society. In a more individualistic country, the ties are weaker and the individual tends to focus more on itself and its close family as opposed to larger groups of society (Hofstede et al., 2010). The second dimension, power distance, concerns power distribution and how any given society accepts an unequal power distribution. The higher the degree of power distance in a culture, the more people in that society will accept inequalities in relation to this factor. Moreover, the degree of masculinity versus femininity shows how a culture views gender roles. A high value in the former entails a society in which gender roles are rather strict and traditionalistic whereas the latter display a more overlapping approach to gender roles. Lastly, uncertainty avoidance relates to the future and a society's acceptance regarding ambiguous situations. The higher the value in this factor the more a society leans on rigid codes of belief whilst a lower value entails a society that is more accepting towards ambiguity (ibid).

The cultural dimensions have, throughout the years by extensive research, been revised and now there are two more cultural characteristics proposed which are long term versus short term orientation and indulgence. The first explaining a society's view on pragmatism in relation to the past and the future. A society with more of a short-term orientation tends to foster traditional virtues whilst a more long-term orientated culture entails pragmatism. In terms of indulgence which concerns gratification of human needs, a culture which fosters these kinds of views tends to be more indulgent. The opposite of this concerns restrictive cultures which show signs of restraint (ibid). These six dimensions can be used to explain a country's tendencies in these areas as well as be used in comparison to other countries to determine the suitability of a country when examining a potential international expansion.

Although it is important to get an overview of national culture as a concept, it can be argued that the cultural dimension by Hofstede et al. (2010) can lack in practicality, especially in terms of as a tool to assess integration in the post-acquisition process. This can be due to the fact that the dimensions are quite tacit in nature as well as based on country averages as opposed to each individual in a country (Brock, 2005). Another framework which is built up by more explicit factors of national culture is that of the CAGE framework, as presented by Ghemawat (2007). This framework incorporates a vast range of differences when it comes to international heterogeneity such as geographical and cultural differences (ibid). In terms of cultural differences between countries, factors such as language differences, different cultures, i.e. differences in e.g. values and beliefs and a lack of networks are proposed. Furthermore, geographical differences can appear in the shape of actual physical distance between countries (ibid). Together with administrative and economic differences, these four combined make up the CAGE Framework which can be used to explain differences between countries, much like the more generic option provided by Hofstede et al. (2010). As stipulated, cultural differences influence the overall success, these factors can therefore play a role in understanding and mitigating potential hazards in relation to integration in post-acquisition processes.

2.2 Level of integration

Zaheer, Castañer & Souder (2013: p. 604) mention that "[d]etermining the appropriate level of integration is crucial to realizing value from acquisitions." The desired level of integration for the target company is based on several different aspects. As the implemented level of integration is substantial in the outcome of post-acquisition performance, international managers need to be careful not to over- or under integrate their newly acquired subsidiaries. Both cases could lead to the company not being able to create value, and even cause value destruction (Pablo, 1994). As previously discussed, when changes in organizational culture are being made, it is usually the acquired company that makes the changes on behalf of the acquiring company, which is to be expected (Chatterjee et al., 1992). The same is true concerning changes in terms of policies, systems and plans, meaning that the acquired company implements the acquiring company's organizational processes (Pablo, 1994).

Pablo (1994) mentions three different primary themes that affect the decisions regarding level of integration in the post-acquisition process. These are characteristics related to task, cultural and political aspects of a company going through an acquisition. The task characteristic is related to the strategic intent of the acquisition, in the sense that value is created through shared skills or resources between the acquiring and the acquired company, which by Birkinshaw et al. (2000) has been described as a type of synergy realization. For this to happen, two different tasks need to be accomplished, namely one strategic and one organizational. The strategic task is the actual sharing of the resource or skill that the acquiring company now can utilise as a result of the acquisition, while the organizational task is to preserve whatever unique capability that can be used to create value (Pablo, 1994). The cultural characteristics are as important in the decision-making process, as it critically affects the effectiveness of the organization as a whole. What decisions being made concerning the management of the cultural differences between the acquiring and the acquired company are directly linked to how the integration is designed. A large part of this decision is based on whether the acquiring company is a multicultural organization or not. For multicultural organizations, a moderate level of integration is to be expected, while for a 'unicultural' organization, the level of integration should be higher (ibid). However, this view partly contradicts the statement by Nahavandi & Malekzadeh (1988) that a lower level of cultural integration is what creates multicultural organizations. The political characteristics relate to the acquiring company's use of control and power over the acquired company, in order to make sure that the preferred goals are being pursued and that the preferred actions are being taken. This is due to the conflict between the two parties, as a result of the acquired company's aversion and difficulty with implementing the acquiring company's ideas and goals. Concerning the decision-making aspect of the acquiring company about how it should design the integration process, managers need to get an understanding of the perceived need to exercise this power, but also their ability to actually do it. Predictors of these types of decisions are partly about the power differential between the acquiring and the acquired company, as well as the compatibility of the two parties' visions regarding the acquisition (Pablo, 1994).

2.2.1 Degree of organizational autonomy

One area of integration that, to our knowledge, the existing literature in acquisition theory has not been fully covered is that of autonomy, more specifically the autonomy removal that the acquired company potentially experiences in relation to an acquisition (Weber, 1996). Zaheer et al. (2013) found that level of integration and degree of autonomy are not factors that necessarily cancel each other out, as high levels of both can exist at the same time. It is therefore of interest to distinguish between how the two factors independently affect the post-acquisition process. The loss of autonomy in an acquired company can lead to the loss of key talent in the acquired company as well as hinder the integration process (Weber, 1996). As with other aspects of integration the situational circumstances have to be considered. For instance, the specific industry in which the acquisition occurs can impact the potential success of autonomy removal. According to Weber (1996), manufacturing firms might actually benefit from losing autonomy when being acquired as this industry type is not particularly human-intensive and more standardized. The result would therefore be reversed and lead to benefits in terms of synergetic effects (ibid). Moreover, degrees of autonomy can derive from different sources and differ in range. For instance, in contexts where the HQ is not completely aware of its subsidiary's focal context the degree of autonomy for the subsidiary will be higher (Ciabuschi, Dellestrand & Holm, 2012). Furthermore, the degree to which a subsidiary achieves autonomy is not a static concept and can, with the aid of built trust between the HQ and subsidiary, lead to higher degrees of autonomy (Ambos, Asakawa & Ambos, 2011).

Organizational autonomy in the acquired subsidiaries is concerned with next to all parts that will be covered in this study, from organizational features to cultural aspects and strategic capabilities. There seems to be an academic consensus that a loss of autonomy as a result of an acquisition creates negative effects on the acquired company's operations, it is thus deemed important to keep a certain level of autonomy in the acquired company (Weber, 1996; Chatterjee et al., 1992). Doing this reduces the disruption of the acquired firm and can facilitate the process of sharing resources between the acquiring firm and the acquired firm (Angwin & Meadows, 2015).

2.3 Synergy realization

One prominent goal of M&As is that of synergies to be created as a result of accessing new abilities or combining qualities between the acquiring and acquired company (Walter & Barney, 1990). The ability to create synergistic benefits from an acquisition depends on creating the proper conditions, in terms of organizational, strategic and cultural fit between the companies. However, in order to realize this ability into creating actual synergies, the post-acquisition process has to be managed efficiently (Birkinshaw et al., 2000). The original point of view on the creation of synergies in the post-acquisition process is the literature concerning industrial organization economics as well as strategic management literature. In regard to industrial organization literature, synergies are often connected to benefits gained from economies of scale, and increased market shares as a result of these benefits. Because of this, the two firms, when combined, can be run more efficiently and allocate their short-supplied resources more properly than they did on their own (Lubatkin, 1983). However, Barney (1988) mentions that, unless all other bidders and the actual target company are unaware of it, the synergies created directly from the acquisition are always reflected in the acquisition price. This would mean that the synergy effects that the acquiring company is aiming to achieve when acquiring a new company are more often than not already accounted for when the purchase has been made.

Birkinshaw et al. (2000) have, through combining the process and the organizational behavior perspectives, developed a conceptual framework for post-acquisition integration management. The process perspective concerns the management of the post-acquisition process, which has previously been mentioned as the main way to realize the synergy potential created by organizational and strategic fit (ibid). However, as acquisitions are often complex and include several different departments, what aspects that should be considered in the process perspective are hard defined. In order to be able to reflect upon the importance of considering the process perspective, Jemison & Sitkin (1986) account for four different impediments to creating a successful integration in an acquisition meant to create synergies.

The first impediment concerns activity segmentation, which mainly is a concern for companies who do not routinely perform acquisitions. Many of the different activities that a company has to perform in an acquisition have a high level of technical complexity to them, which leads to the company dividing different task groups to handle these activities. Even though this segmentation is, in most cases, the more efficient method of managing an acquisition, it can easily lead to poor integration in terms of analyses, as well as a disproportionate focus on strategic fit rather than organizational fit. Both of these aspects make the combining of the two firms a more difficult task to accomplish. The second impediment raised by Jemison & Sitkin (1986) concerns the net effect of momentum that is gained by the fact that forces that stimulate momentum are usually stronger than the restraining forces. This net effect of momentum, which leads to an escalating increase, usually leads to rash decisions and closures of different tasks in the acquisition process. Although hasty decisions can prove to be adequate, they are linked to several negative aspects, such as decreased commitment and increased self-interest of the participants in the acquisition, unstable conditions for decision-making as well as increased resistance of the acquired firm (Jemison & Sitkin, 1986). Another impediment to successful integration is the ambiguity that lingers on from the negotiation phase of the acquisition into the integration phase. The ambiguity in the negotiation phase concerns, among other things, expectations of acquisition purpose and performance as well as timing issues, which Jemison & Sitkin (1986) state can be helpful for both firms involved. In the post-acquisition process, however, the same ambiguity easily becomes a source of conflict between the two parties since there is a need to specify many of the ambiguous aspects into clear parts. It is not unusual for managers of the new subsidiary to become defensive under such circumstances, and therefore start to keep the subsidiary's autonomy against the parent company's will. The fourth and last impediment concerns misapplication of management systems. Even though an acquisition is made partly because the target firm possesses some attractive and unique capabilities, it is not unusual for the parent company to overlook these capabilities and overrun them with its own strengths. When this occurs, tensions between the two parties are often sprung. Subsequently, the utilization of the new target company as a successful subsidiary becomes less probable, as the unique capabilities which initiated the acquisition are no longer a factor (Jemison & Sitkin, 1986).

2.3.1 Task and human integration

As the process perspective becomes clearer, the concept of task and human integration can be explored. In the post-acquisition process, task integration is understood as the sharing of resources and transfer of capabilities between the parent company and the acquired company (Birkinshaw et al., 2000). Larsson & Finkelstein (1999) showed for the first time based on a relatively big sample that resource sharing between two merging organizations facilitates synergy effects, and therefore increases the chances of an acquisition being successful. As mentioned in regard to section 2.1.2, when complementary capabilities exist in two joining firms, synergy realization is increased as well, regardless of the similarities between the firms.

The aspect of sharing and transferring is also facilitated by communication and coordination between the firms, proving once again that potential for synergies without properly managing the post-acquisition process is not enough for synergy realization (ibid).

By observing the task integration process in foreign acquisition made by Swedish MNCs, Birkinshaw et al. (2000) found that the process was less linear than expected. Instead, the acquiring companies opted to retain the operational status at the subsidiaries and instead smoothly implement changes as time went on. Therefore, the operational synergies that the acquiring companies sought to achieve were not delivered directly, or even in the next years following the acquisition. At the same time, the task integration was not delivered to the same extent that was planned before the acquisition in either of the cases. The main reasons for these setbacks were different in each case and could differ quite severely. It could range from the fact that one acquiring company chose to retain all the technical centers for a long period of time in order to make the transition smoother, to another of the observed companies having problems with individuals in the acquired companies who passively resisted change. Another problem that occurred was that key individuals were lost in the acquisition, which further hindered task integration. One aspect, however, that was similar between all the observed cases was that the decision not to push for task integration too hard was believed to be grounded on sound reasons, according to Birkinshaw et al. (2000). In summary, the more problems that were encountered in the integration phase, the lower was the aim to achieve task integration in the medium term.

Birkinshaw et al. (2000: p. 400), define human integration as “[...] the creation of positive attitudes towards the integration among employees on both sides”. While task integration is usually the main focus of the acquisition, human integration is more concerned with employee satisfaction and the feeling of a shared identity among the employees of both the acquiring as well as of the acquired firm. Human integration is therefore seen as a catalytic tool for achieving the main objectives of the acquisition, which is to, simply put, realize potential synergies. As opposed to task integration, the human integration processes in the acquisitions observed by Birkinshaw et al. (2000) were well managed in next to all cases. Key features of success in obtaining satisfactory results in this area included quick communication about the acquisition and what would happen to the different parts of the acquired company as well as setting up meetings where questions could be answered, and fears could be reduced. In those cases where this process was not as exemplary, the reasons were almost the same, but reversed. This meant that the employees of the acquired company felt that the communication about the acquisition was inadequate, and they felt neglected when it came to their concerns about the impact of the acquisition. With this said, common themes of human integration from the observed cases included that it is a lengthy and complex process, even with the right preconditions and management. Moreover, too much focus on employee satisfaction in terms of synergy realization could be misleading, as it works as merely a means of achieving synergies, and not a synergy in itself (Birkinshaw et al., 2000).

2.4 Summary of theory

Based on the previous literature on acquisition integration set out above in sections 2.1-2.3, a pattern can be distinguished regarding which aspects that are the most prominent for acquiring companies to take into consideration in the integration process of an acquired subsidiary. Figure 1 below represents our perception of the most prominent aspects, as well as in which order they are most reasonably considered, based on the pertinent literature on the subject such as Ellis et al. (2009). Most of the literature is concerned with organizational, e.g. Datta (1991), and strategic fit, as proposed by Larsson & Finkelstein (1999), as prerequisites for post-acquisition performance, where the cultural aspect is embedded in different parts of the aforementioned 'fits'. However, the cultural aspect is salient enough to be considered as an independent determinant of the integration process, which can be further divided into national and organizational aspects as suggested by Weber et al. (1996).

After taking these determinants into consideration, the literature is highly concerned about an acquiring firm determining the level of integration that is suitable for an acquired firm (Zaheer et al., 2013; Pablo, 1994). Within this step of the process, acquiring firms must make decisions regarding the degree of autonomy that will be left to the acquired company, as well as consider the aforementioned characteristics that different levels of integration entail. Lastly, when the synergy potential provided by the different fits between an acquiring and an acquired firm is to be realized, the dualistic aspects of task and human integration can be used (Birkinshaw et al., 2000). These are a part of the process perspective of the post-acquisition process, in which human integration is seen as a prerequisite for synergy realization, whereas task integration is the actual creation of synergistic benefits. This model is not to be seen as a universal truth of how firms can integrate acquired firms into the organization. It is merely to be seen as a compilation of our view on what earlier literature on the subject has highlighted as the most prominent aspects to consider when facing the integration process of a newly acquired firm, as well as in which order the different steps seem to be taking place.

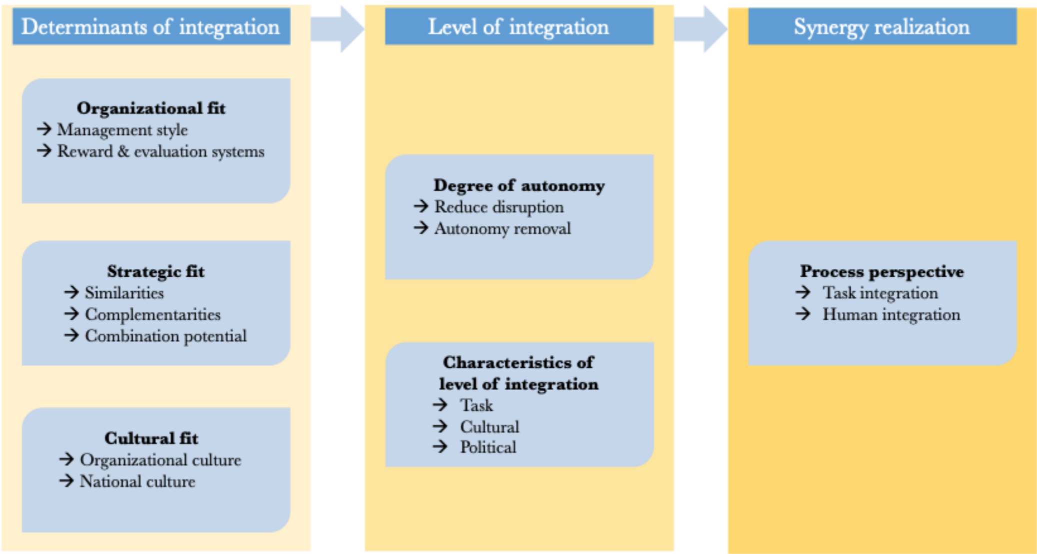

Figure 1: *Summary of literature relevant to the post-acquisition process - constructed by the authors*

3. Methodology

The method chapter outlines the approach which we have taken to complete this report. It includes aspects such as research strategy & design, data collection & analysis and research quality. The aim of this chapter is to give the reader insight into our methodological approach and to provide transparency.

3.1 Research strategy

3.1.1 Qualitative research strategy

A qualitative research strategy was chosen for this study. The choice was made because the level of naturalism achieved from conducting qualitative interviews with people that possess important insights on the subject was deemed important in order to answer the research questions (Bell, Bryman & Harley, 2018). Furthermore, the naturalistic aspect related to this goes well in line with providing a holistic view of a scope of research, as done in our report (Lincoln & Guba, 1986). The choice of the qualitative research strategy also facilitated the theory building, as unexpected features of the observed social reality opened new paths for altering the theoretical framework. As for interpreting both the primary and the secondary data, we applied interpretivism as the epistemological position for the study. Bell et al. (2018: p. 31) underline this function of interpretivism, stating that it is "[…] concerned with the 'how' and 'why' of social action, including the processes whereby things happen". This choice was necessary in order to understand the decisions and actions of the people that are of interest from their point of view, rather than to look at the behavior as an objective truth.

3.1.2 Abductive reasoning

There is no doubt that the post-acquisition process is a complex matter, as different industries, companies and individuals have contrasting views on the implications of integration and proper ways of implementing different methods. Earlier researchers have reached similar contrasting views on the subject, which makes it difficult to select a theory to test in this case. Therefore, an abductive reasoning was implemented in this study, in order for us to be able to search for the most suitable explanations for the research question without any preconceived notions of the subject standing in the way. Moreover, by choosing an abductive reasoning, more room for iteration was made when it came to letting the empirical findings refine the theoretical framework of the study, and vice versa (Bell et al., 2018). This way of approaching a report can be described as 'systematic combining' which allowed us to go back and forth between our empirical findings and theoretical framework throughout the process (Dubois & Gadde, 2002). As Bell et al. (2018) explain the starting position of abduction, this study was initiated through the finding that existing literature cannot fully explain the puzzle that is the integration process of a newly acquired company, in terms of proper methods to use from an HQ perspective.

3.1.3 Research process

Based on the discussion regarding research strategy, a figure, see figure 2 below, was constructed to visualize the process which we took in order to reach our goal of answering the research questions of this report. Our process followed a predominantly linear process which started with us discussing internally around the chosen scope of research which established the prior knowledge. After this, we started reviewing literature with the aim of creating a theoretical framework. This rendered figure 1 which acts as a summary of relevant literature constructed in a process. With the theoretical framework established, our next step was related to collecting empirical data. At this point, the linearity of the research process was challenged as we began our abductive approach in going back and forth between our empirical findings and theoretical framework, putting emphasis on the refinement aspect. The findings of our abductive reasoning resulted in our analysis and subsequently our revised model, as seen in figure 3. Lastly, the analysis, with the revised model acting as foundation, helped us in answering our research question and gave way for the conclusion.

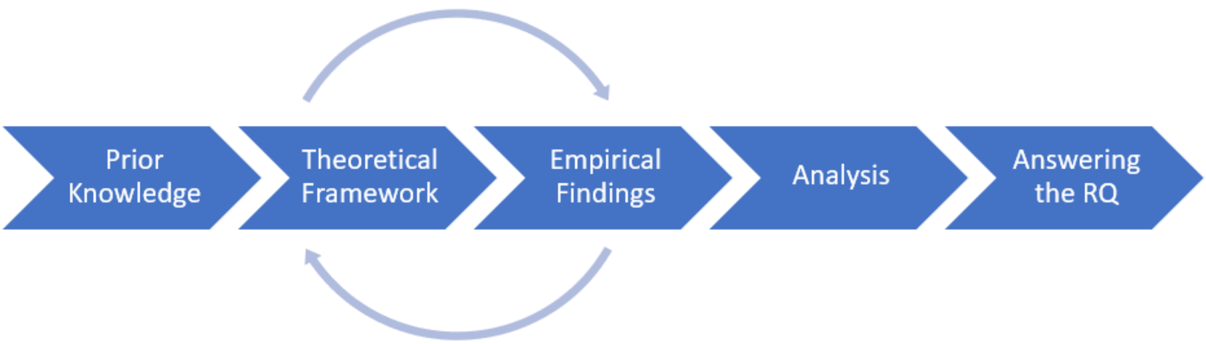

Figure 2: *Research process - constructed by the authors*

3.2 Research design

When determining the research design most suitable for this report the most applicable type was that of a case study design seeing how it entails observing a specific case. A case can be e.g. a person or an organization (Bell et al., 2018). Furthermore, case studies aim to answer how and why questions related to a research area which goes in line with the interpretive approach of this report (Rowley, 2002). Thus, a case study design was chosen as the research design for this report as Bilia acts as our focal point. Our aim with the report is, as our research question suggests, to explore the integration process when MNCs acquire companies with Bilia acting as our unit of analysis. However, seeing how the post-acquisition process will be evaluated from a subsidiary perspective as well, the unit of analysis is extended to include the subsidiaries of Bilia (Marschan-Piekkari & Welch, 2011). This goes in line with an instrumental case study design which aims to understand a broader issue or phenomenon using a case as a focus point (Bell et al., 2018). Furthermore, a case study design favors a qualitative research strategy which fits the structure of the report (ibid).

There are arguments made regarding the generalizability of studying a case, i.e. examining how a specific case can help explain a broader phenomenon or be applicable to other organizations (Bell et al., 2018). Some state that case studies are indeed generalizable while others argue for particularization rather than generalization (ibid). In this report, we are more interested in gaining a deeper understanding of Bilia as our case within the dimensions of our research question. As a way of providing transparency, we will therefore not make any claims concerning the generalizability of this report but instead let the reader determine with the help of a later section focused on research quality, see 3.5.

3.3 Data collection

For this report we have collected both primary and secondary data which will be accounted for in the following section. For our primary data we conducted interviews with key people, both in the HQ as well as in subsidiaries, in our case company Bilia. Regarding secondary data we have conducted a literature review with the aim of creating a theoretical framework on which the analysis lies on. The combination of using both primary and secondary data in conjunction with each other gives the researcher multiple advantages such as saving time and gaining access to new interpretations which might otherwise have been overlooked (Bell et al., 2018). These reasons lie as the foundation for our choice of using both kinds of data.

3.3.1 Primary data gathering

As stipulated, the primary data collection concerned interviewing key people of our case company Bilia. The interviews were done in a semi-structured manner with the aim of securing rich and detailed answers related to our subject which can be seen in the appendix. One reason behind choosing this type of method relates to the fact that qualitative interviews, specifically semi-structured ones, gives the interviewee more leeway in terms of answering the questions provided in the interview guide (Bell et al., 2018). We encouraged our interviewees to speak freely and base their answers on their background in terms of their role within the company to gain access to a multitude of views. The flexibility aspect of the interview is important as it enhances the chances to understand what the interviewee views as crucial in a business context (ibid). Another reason behind the choice of doing semi-structured interviews as opposed to e.g. unstructured interviews is that we are two authors contributing to this report which entails that, in order to secure consistency and comparability amongst the interviews, some kind of structure has to be imposed (ibid).

Another aspect that is worth taking into consideration regarding our primary data collection is the fact that the interviews were done during the time of the global pandemic caused by Covid-19. This entailed that all interviews were done online using the video chat function through the communication platform Teams. Online interviews can be both synchronous and asynchronous, the former concerning real-time and the latter being over a longer period of time (Bell et al., 2018). We used both types in our data collection, the first one being through Teams, as mentioned, and the second type was used mainly for follow-up questions arising after analyzing the empirical data. This was done through email. Using video chat as opposed to conducting the interviews face-to-face could be argued for as an inferior method in certain aspects. However, seeing how there were no alternatives due to regulations and that the negative aspects concerning this method are mostly related to commitment and maintaining contact in between interviews, we do not feel that online interviews reduced the quality significantly (ibid).

3.3.1.1 Selection of case company

In terms of selecting our case company to study, we wanted a company that acts in a similar way to our scope of research, thus giving us the opportunity to study and answer our research question with the help of our empirical findings. As discussed later in section 4.1, Bilia is a Swedish MNC which has an expansion strategy that goes well in line with the scope of this report. Moreover, Bilia is relatively new to international acquisitions outside of the regionally and culturally close Scandinavian region which makes the company even more enticing to study. These are two of the reasons as to why Bilia was chosen and can be related to a purposive sampling method, which according to Bell et al. (2018: p. 389) entails that "[i]n purposive sampling, sites, such as organizations, and people (or whatever the unit of analysis is) within sites, are selected because of their relevance to the research questions”. Furthermore, as Bilia was convenient in terms of accessibility to us, arguments can be made which proposes our use of an opportunistic sampling method too. This means utilizing sampling sources which we are given access to, in relevance to our scope naturally (ibid).

3.3.1.2 Selection of respondents

In order to get the most out of our primary data collection but at the same time covering a holistic frame which encompasses our research question we wanted to interview employees of both Bilia’s HQ and its subsidiaries, both international and national ones. Furthermore, we wanted the interviewees to hold positions relevant to our scope of research thus being able to answer questions related to our research question. In this regard our method of selecting respondents can be identified as purposive sampling. However, the contact with our interviewees was facilitated by our contact person and we interviewed respondents who we were given access to suggesting an opportunistic approach as well (Bell et al., 2018).

The sampling criteria for our interviewees included, as stated, people with positions relevant to our scope of research. For this reason, we wanted to interview people of senior ranks that are personally involved in the acquisition or integration process or both. These interviewees, as can be seen in table 1, hold a wide range of senior positions which are relevant in acquisitions holistically covering the integration process in various aspects. The interviewees were contacted through email with contact details that we had received from our contact person. We also aimed to interview employees from the subsidiaries, both internationally and nationally acquired ones, in order to get insights from both sides of the process.

In terms of ethical best practice there are arguments made to suggest that anonymity should be given to research participants such as, in our case, interviewees (Bell et al., 2018). In accordance with this, we suggested to our interviewees that they would be anonymous in regard to their name but keep a description of their titles in order to maintain the relevance of their positions for the reader.

Name	Company	Position	Location	Duration	Date
HQ1	Bilia AB	Marketing director	Teams	30 min	2021-03-12
HQ2	Bilia AB	Senior Controller Europe	Teams	34 min	2021-03-18
HQ3	Bilia AB	HR Director	Teams	15 min	2021-03-23
HQ4	Bilia AB	Head lawyer	Teams	22 min	2021-03-25
EXT1	External law firm	Senior advisor	Teams	54 min	2021-04-21
SUB1	Belgian subsidiary	Financial Manager	Teams	31 min	2021-04-29
SUB2	Belgian subsidiary	Operational Director	Teams	31 min	2021-04-29
SUB3	Luxembourgian subsidiary	Financial Manager	Teams	60 min	2021-05-04
SUB4	Luxembourgian subsidiary	Operational Director	Teams	60 min	2021-05-04
HQ5	Bilia AB	Financial Director	Teams	47 min	2021-05-05

Table 1: *List of respondents for interviews – constructed by the authors*

3.3.1.3 Interview guides

The interview guides were given out beforehand to allow for reflection and to give our interviewees time to familiarize themselves with the questions in hand. Furthermore, the interview guides were given in both Swedish and English. The reasoning behind this was that we wanted to allow our interviewees to answer in their native languages if possible. As our case company is Swedish this was the language used in all interviews for interviewees in the HQ. The interview data was then translated into English for dissection and analysis. We believe this to be the best method of approach as this allowed the interviewees to express themselves as freely as possible, despite being aware of the potential own interpretations that may occur when translating (Chidlow, Plakoyiannaki & Welch, 2014). For the interviewees in the subsidiaries of our case company, they were done in English as this was the common language. Whilst this would mean opposite results, i.e. interviewees not answering in their native language but the translation aspect becoming obsolete, this was unavoidable since there was no common native language between us as interviewers and the interviewees. Lastly, to aid our subsequent empirical section, we recorded and transcribed the interviews giving us the possibility to fully focus on the interview without having to take notes simultaneously (Bell et al., 2018).

3.3.2 Secondary data gathering

The first step taken in regard to secondary data was creating the theoretical framework where we took a narrative approach in gathering our data. This was done because this type of review relates to a more wide-ranging approach to reviewing literature allowing for new discoveries to be made during the course of the process (Bell et al., 2018). Furthermore, a narrative review enables the author to gain greater flexibility in constructing theory and analysis when encountering new insights which goes well in line with the fact that we used interpretivism as our approach. However, when using a narrative approach, it is still important to limit the amount of data based on certain criteria relevant to our subject and research question (ibid).

In terms of structuring our secondary data and ensuring quality, we choose to limit our data based on criteria that we believe are relevant and necessary. Firstly, we only included literature that is peer-reviewed to emphasize the quality aspect of our approach. We tended to incline towards literature which has been frequently cited on Google Scholar because we believe that to be another sign of quality.

For our collection of secondary data, we used the database 'Supersök' provided by University of Gothenburg as our premise. Most of our secondary data originates from this database, but we also accessed data using Google Scholar. With these two databases we gained access to a wide range of literature providing us the tools to conduct a holistic theoretical framework. In our search for literature, we often found references leading to sources of other relevant data which can be described as a snowball effect (Bell et al., 2018). This effectively allowed us to gain a greater amount of data but also impacted our use of keywords which was made quite broad in order to cover important and relevant literature. Furthermore, included in our empirical data is information gathered from the case company's website, which we identified as important in order to create an overview of the company's current situation.

3.4 Data analysis

Since the interviews in which the primary data was collected occurred with some time distance between them, the analysis started before all the data was collected. As this process started from the first interview that was conducted, each of the following interviews were to some degree shaped based on insights and ideas sprung from earlier interviews. Moreover, grounded theory was used as the framework for analyzing the data. Bell et al. (2018) describe this analytic process as an iterative one, in which the empirical data and the analysis repeatedly shape each other along the way. This process was facilitated by the fact that the data collection and data analysis were conducted simultaneously. In the analytic process, coding was used in the way that key parts of the studied phenomenon were broken down into different parts to be analyzed, which is described by Bell et al. (2018) as an important tool of grounded theory. Based on the secondary data, and to some degree on our previous knowledge as authors, these key parts worked as a template for the data collecting process and were later refined based on new insights gained from the interviews. The interviewees in this study possessed different capabilities and views on the studied subject, as they, for the most part, worked as heads of different departments of the company. This fact highlighted the importance of the aforementioned iterative process, as new insights that changed the coding process were obtained in almost all interviews.

3.5 Research quality

In order to e.g. provide trustworthiness, certain criteria regarding the research quality must be upheld. Bell et al. (2018) propose internal and external validity, reliability and objectivity as the key quality criterias. There are however concerns regarding the applicability of these criterias in naturalistic qualitative research, thus an alternative approach will be used in this report in order to reach the aforementioned qualitative results (Shenton, 2004; Bell et al., 2018). The criteria that are used for this report are credibility, transferability, dependability and confirmability and parallels the aforementioned criteria as presented by Bell et al. (2018)

respectively. Together these criteria will give insight to this report's quality in terms of truth value, applicability, consistency and neutrality respectively (Lincoln & Guba, 1986).

3.5.1 Credibility

Internal validity, which corresponds to credibility, relates to the match between reality and scientific observations, i.e. to which extent the findings of our report corresponds to real life (LeCompte & Goetz, 1982). There are certain measures that can be taken in order to increase the degree to which credibility is achieved (Lincoln & Guba, 1986). One such measure is according to Shenton (2004), for the researchers to familiarize themselves with the case organization which they will study in order to build trust and create a better understanding before actually commencing the empirical study. This can be achieved by e.g. visits to the case organization but seeing how this report was written during the Covid-19 pandemic, this was unfortunately not possible. However, we have made substantial efforts to familiarize ourselves with Bilia beforehand by studying relevant documents accessible online such as annual reports, press releases as well as miscellaneous information found on the company's official website. Moreover, albeit online, the first contact with our contact person at Bilia was initiated before the study process began. When reaching out to potential participants of interviews, they were given clear information regarding their voluntary participation and option of anonymity. In accordance with Shenton (2004), this creates data which was collected genuinely and freely which in its turn increases the level of credibility. After acquiring our empirical data, we had discussions between us to make sure that we were in agreement in terms of the interpretations. Lastly, we engaged in seminars throughout the research process where our peers got to read and provide feedback to our report. We also sent drafts to other relevant individuals who provided us with key insights and a fresh take on the subject. This act of scrutinization is important when aiming to ensure higher degrees of credibility (ibid).

3.5.2 Transferability

Bell et al. (2018) states that transferability relates to the degree to which observations deriving from a report can be applied in other contexts. In order to increase transferability, thick descriptions are to be made regarding different aspects of the report. This is done with the aim of providing the reader the tools of making assumptions of generalizability of their own accord (Lincoln & Guba, 1986). Based on this, we have made attempts to increase our report's transferability in several aspects. Firstly, we provide the reader with information regarding the research setting as well as a company description section concerning the sole case company of Bilia. Furthermore, in accordance with Shenton (2004), we disclose the number of individuals who have participated in our empirical observation. In the analytical section of our report, we have discussed the components of our theoretical framework leading us to the conclusion that some aspects might not be applicable for all industry types and companies.

3.5.3 Dependability

Dependability relates to the degree of transparency that is provided in a report. This is achieved by giving the reader a clear picture of the research process that was employed by us, the authors (Bell et al., 2018). The consideration of dependability by us, the authors, is prevalent throughout the methodological chapter where we present insights to the reader. For instance, we have outlined our research process as well as presented information regarding our data collection efforts and subsequent data analysis. Throughout these examples we have aimed at providing the readers with insights not only related to our methodological approach but also how this was applicable in our research context.

3.5.4 Confirmability

The concept of confirmability concerns the objectivity which has been employed by us, the authors, throughout the research process. Despite being essentially impossible to achieve full objectivity, due to e.g. researcher's biases, it is important to act in good faith when conducting research (Bell et al., 2018; Shenton, 2004). In our research, consideration has been taken in regard to confirmability, i.e. reducing sources of our own biases. Permeating the entire report, we have acted in good faith in that the data that we have gathered have come from our sources and not derived from our own preferences (Shenton, 2004). For instance, when interviewing our respondents, the interviews were transcribed and then discussed and interpreted, to ensure that we stayed as true as possible to the intended message conveyed.

3.5.5 Ethics

In this report we have operated under good research practice in accordance with the principles presented in the European Code of Conduct for Research Integrity by the All European Academies. In the following section we will present some of the principles, which include reliability, plagiarism, honesty and fairness, as well as account for our standpoint in regard to these aspects (Vetenskapsrådet, 2017). As reliability, or dependability, has already been covered in a previous section, the first principle to be discussed is plagiarism.

The definition of plagiarism entails essentially stealing someone else's work and presenting it as your own (Vetenskapsrådet, 2017). The most obvious reason as to why we do not plagiarize, not in this report or others, is that it is not good practice. Moreover, we believe that this would diminish our contribution to our area of research as we would just reinvent the wheel. In terms of honesty and fairness, we have tried to apply these principles throughout our process as well as in our report by not letting our personal bias get in the way. Another aspect not necessarily covered by the principles, but still permeating a process in which one follows good research practice, is acting with respect (ibid). We have acted with respect in regard to regulations, such as in the case of Covid-19 limitations, as well as treated the people we have come in contact with, with respect.

In presenting these aspects we believe that our report will benefit in terms of quality as transparency is provided. We also believe that it is essential for a report such as this to follow ethical guidelines and principles in order to play a role in further development in our area of research.

4. Empirical findings

In this chapter, the empirical data that has been collected for this study is presented. Besides the interviews that have been held with representatives of the case company, additional data directly from the company's website and press releases has been included in order to give an in-depth picture of the company's current situation. This chapter initiates with an overview of the case company and moves on to providing the interviewees' insights on the identified themes of the post-acquisition process.

4.1 Bilia AB

4.1.1. Company description

In 1967, Volvo AB created a fully owned subsidiary called Volvator in order to coordinate the company's retailers. After just a few years, the subsidiary had expanded internationally to nearby countries and Volvator was renamed to Bilia. In 2003, Volvo AB purchased the parts of Bilia that sold heavy trucks and construction machinery. Since then, Bilia has focused on selling passenger cars and light trucks and is currently expanding its operations through acquisitions of smaller car retailing businesses in Western Europe (Bilia, 2021a). Bilia is now operating in 5 different countries, including Sweden, Norway, Germany, Belgium and Luxembourg, and currently controls over 130 different facilities. The different trademark segments are divided into three different markets. In Sweden Bilia is currently selling all of the trademarks of which Bilia has license to sell, where Volvo cars stand for roughly half of the total amount. The sales in Norway are similar to the Swedish market, with the exception for not selling cars from Renault and Dacia. In Western Europe, the segment is limited to BMW and MINI, where BMW constitutes the lion part of sales (Bilia, 2021b).

In November 2020, Bilia received notice from Volvo Cars regarding the termination of dealer agreements from the company. The termination included a notice period of 2 years, which means that Bilia is still authorized to sell Volvo cars at the time of writing. Moreover, Bilia is involved in discussions with Volvo Cars to continue the companies' collaboration following the two-year period. Despite, or perhaps because of this, Bilia has announced that the company will escalate its growth, both in terms of geographical growth as well as through expanding into new business segments (Bilia, 2020a). Bilia's growth strategy is, apart from growth through acquisitions, also focused on organic growth. Regarding the acquisition focus, the company is primarily focusing on growing in its current markets with its existing brands, as well as entering new markets in the rest of Europe. New markets of interest are currently stated in the company's growth strategy as Poland, The Baltics as well as Switzerland (Bilia, 2021c).

4.1.2 Internationalization journey

According to HQ5, Bilia started its current international journey when the company left Denmark in 2015 because of disadvantageous tax regulation. Combined with this realization, Bilia's management felt that the company was too big for the Swedish and Norwegian market alone and needed to internationalize in order to meet their growth targets. Bilia was then, roughly at the same time, contacted by the German car manufacturer BMW who proposed a joint effort to internationalize in Europe. This was due to the two companies' successful cooperation earlier in the Nordic countries. This journey started in Germany, where Bilia quickly established its presence in 2015 and further in 2016 by acquiring existing firms. However, due to the strong domestic market with German brands, Bilia chose to stop its further investing in the German market and went on to look at other propositions.

"We were in Sweden, Norway and Denmark, so we really have a Nordic heritage. But we left Denmark in 2015 since we saw that the tax regulation in Denmark was not really suited for our types of cars. [...] So that was why we chose to leave Denmark. And we have a growth target of 5-10% annually, and when we looked over the Swedish market and the Norwegian one, we saw that we were so big within those brands that we want to work with and did not see that we could grow to the extent that we would like in those markets." - HQ5

Also, through its cooperation with BMW, Bilia made acquisitions in Belgium and Luxembourg in 2016, 2017 and 2018. This seemed more natural for Bilia, partly because of the similarities that were seen between these countries, as well as the lack of obstacles that were encountered in Germany. Concerning Bilia's future internationalization steps, the company is only interested in going into new markets with existing brands, as going into a new country with a new brand is not part of the firm's strategy.

"And when you look at our timeline, you can see that it was in 2015 and 2016 that we acquired in Germany. And then in 2016, 2017 and 2018 we went to Belgium and Luxembourg. So it has been kind of a natural step to move further in those countries as well, and Belgium and Luxembourg are pretty similar as countries. There we also have partly the same management staff. [...] And if we were to enter into a new country, we would do it with

our existing brands. Both going into a new country and with a new brand is not part of our strategy." - *HQ5*

4.1.3 Integration strategy

In past acquisitions, Bilia has had a two-phased action plan for the integration process of acquired firms which was examined using an unpublished source provided by Bilia, as accounted for in appendix 3. The first phase, which is preferably accomplished within 3 months after the acquisition, consists of implementing basic features of Bilia's operations. This includes implementing financial features such as accounting principles, IT-related features such as Bilia's intranet as well as operational features such as appointing a coordinator for the integration process who can answer operational questions. The preferred time plan for phase two, which directly succeeds phase one, is six months. Here, deeper integration efforts are made on all aforementioned aspects, meaning financial, IT-related as well as operational aspects. Bilia is now working to evolve this process, but simultaneously keep the earlier action plan with aspects that have to be integrated swiftly. HQ5 mentions that one of the new aspects of their integration process is to appoint a project manager for the integration of each acquisition. This helps the company to better fulfil both its requirements concerning financial reporting to the stock market, as well as to the company itself by including the acquired firm into Bilia's internal systems so that it can properly follow up on its ongoing revenues.

"What we are doing now for these acquisitions that we are working with now is that we are appointing a person as project manager for the integration, and that is something that we have not been doing earlier. However, I believe that we have been doing it sequentially, so when we have been going in previously, some things must function immediately. [...] one of the first integration aspects we complete is to make sure that we get financial reporting up to the management. And with this, there are two dimensions, where one is to fulfil our demands towards the stock market, and the other one is to get them [the acquired company] *into our internal systems so that we can follow them monthly, weekly or even daily when it comes to revenues."* - *HQ5*

4.2 Determinants of the integration process

4.2.1 Organizational fit

4.2.1.1 Organizational structure & management style

As will be discussed further on, some standardized organizational features are relatively easy to swiftly implement in acquired companies. However, this is not always true. For instance, when Bilia acquires family-owned businesses which have had the same organizational processes for a substantial amount of time, which HQ4 mentions as a substantial issue. This becomes an issue of organizational structure, rather than the actual differences in these specific organizational features.

"But then there is a big challenge to include them [the staff of the acquired companies]*, to make them feel like a part of the Bilia organization [...] and that can be companies which have been family-owned and have been managed in a certain way for a long period of time, and should now adapt to a bigger organization, there are a lot of challenges there."* - HQ4

HQ5 underlines this issue and mentions that most of the firms that Bilia acquires come from a family-owned structure, where there recently have been a shift in generations. The change of going from an informal organizational structure to being part of something substantially bigger, where there is a demand of becoming more structured, is usually the biggest issue when it comes to organizational differences between Bilia and its acquired firms.

"I think that, generally speaking, many of these companies [the acquired companies] *come from family-owned businesses. [...] Of course, with that follows that going from a pretty informal organization up to something bigger initially, and also more organized within different responsibility aspects. So that is probably the biggest difference." - HQ5*

The type of management style of the firms that come from this family-owned background is a big part of this fundamental organizational difference. HQ5 mentions that it is not uncommon for these companies to have a very authoritarian owner who makes all higher-up decisions. In her words, it can often feel like "[...] *a whole other world than the one you come from*". In these cases, the firms are often very embossed by the previous owner, which makes it even more difficult to change the mindset of the employees quickly.

When asked about the biggest challenges in regard to acquiring and integrating a new company, EXT1 stresses the importance of taking organizational differences into account. This relates to many different aspects, such as different systems, reporting processes, hierarchical structures as well as communication between departments. He mentions that one of the most common differences that he encounters is that Swedish companies are oftenly horizontally structured, while it is more common in some other countries that organizations have a more vertical organizational structure. These types of differences are usually spotted early in the acquisition process but become even more evident as the integration phase continues. Most of these organizational issues related to the integration process are especially important to acknowledge in international acquisitions but can also become a deciding factor in national acquisitions.

"It is everything from different systems, reporting to how hierarchies and business communication is within the companies. It can vary very much, for example with a Swedish company where there, after all, are pretty flat hierarchies and often to France and Germany and such, where there is a chairman of the board and boss who decide everything, and the rest cannot do anything. This is noticed already at the acquisition process, but it becomes even more evident when you are about to integrate the companies into the organization." - EXT1

The way that the management style in the acquired company is dealt with in the integration process is looked at quite differently in Bilia. HQ2's view is that the management at the acquired company is free to operate in their preferred fashion. That is until something is not working as it should, which increases the need for Bilia to monitor the way that the subsidiary is led. HQ3 is of another view, namely that the leadership and management style of Bilia is an important aspect and should not be compromised. Along with this particular feature, some key cultural aspects, such as foundational values of how to treat each other in the workplace, are important to keep constant with the way Bilia is operating. Even in those cases where a significant degree of autonomy is given to the subsidiary.

"Our leadership is important, so there are some things that we do not compromise. This is for example leadership and important aspects of the cultural part. First and foremost, we have some keywords regarding how we are supposed to treat each other - our foundation of values." - HQ3

4.2.1.2 Reward and evaluation systems

Some organizational features, such as wage and HR-systems as well as standardized benefits, are experienced as more easily implemented in the acquired company than other features, such as communication systems. HQ1 talks about a 'One Bilia' framework, in which all the organizational parts that are believed to be easier to align with the parent company are included and also implemented in the subsidiaries.

"There I believe that we move in quite quickly, that salaries and HR are included and that we work with a 'One Bilia' framework. Because when it comes to those parts, it usually becomes easier to align than perhaps how we should communicate with a specific subsidiary. So I believe that works quite properly. Because in those areas, we operate with similar policies, for example company cars or other types of health benefits and such things." - HQ1

As mentioned, HR-related aspects seem to be one of those parts where Bilia makes both early and aggressive changes in the integration process. According to HQ4, it is very important for Bilia to have similar compensation models for leading personnel, regardless of which part of the whole organization they are positioned in. Therefore, Bilia is usually early in implementing its compensation model in the acquired company, in order for it to be more aligned with the rest of the organization.

"And of course, there are some aspects which always require changes. If you look at everything from that it is a public company and what follows with that, but also concerning our whole HR-part. We do want an equivalent compensation model for leading personnel, regardless of what part of the organization you happen to be in." - HQ4

The same is true for situations where compensation levels can differ somewhat between individuals, which is not suitable for a big organization such as Bilia. In HQ4's view, most of the changes made in the compensation systems at the acquired companies are beneficial for the staff, but Bilia's preference to have a standardized compensation model throughout the whole organization can sometimes lead to the fact that some staff benefits can be removed.

"Some changes need to be made. Maybe you have had more generous compensations for certain employees, where there are some deviations which are from a person-to-person basis. That has to be fixed, since we are such a big organization. So I would say that when it comes

to employee benefits, I believe that very much becomes better when you become a part of Bilia, but certain things also disappear because we want a consistent model throughout the organization." - HQ4

Meanwhile, EXT1 gives a contrasting view of how easy it is to align HR-related processes between the acquiring and the acquired company. Regarding different types of salary and pension systems, he mentions that it can be both expensive and difficult to align. Moreover, this is not an optional integration issue, as organizations are legally obligated to create uniformal systems within about a year after the acquisition, as long as collective bargaining agreements have been used to set up the systems. These agreements are stipulated on EU-level, and often come into play in Bilia's domestic as well as international acquisitions. This problem can escalate, as the acquired company sometimes has implemented a different collective agreement regarding wages, which can lead to the acquiring company having to proceed with lengthy discussions with unions representing the acquired company's staff members.

"So you can have different types of wage and pension systems, which is also an integration issue. You can, for example, have a company where the officials get some form of benefit-based pension while the acquired company uses premium-based or vice versa. This can be both costly and troublesome to put together later. And it has to be put together, you have about a year according to legislation, then the systems have to be in uniformity." - EXT1

On this note, HQ5 talks about the aforementioned effects of acquiring a firm which comes from a family-owned culture. Here, reward systems are usually much less formal, almost to the point that there are no written-down agreements on any kind of benefits. She especially mentions bonuses as an extremely informal aspect of the reward systems, where the earlier manager has usually decided if bonuses should be handed out or not based on whether he or she has felt that things have been going well or not.

"And with that [a previously family-owned firm] *also follows that there is a little more informal reward system. There are not even always agreements on bonuses and such things, bonuses are dealt out if the owner decides if things have been going well or not". - HQ5*

4.2.2 Strategic fit

The view of the subsidiaries is that strategies towards sales are very difficult to integrate between two different countries. For example, SUB4 mentions that the Belgian subsidiary, located a mere 25 km from the Luxembourgian subsidiary, has to have a completely different process when it comes to registering their cars. This is due to differences in national restrictions, where Belgium has, in SUB4's view, a far easier process of registration. This difference is what makes it difficult to integrate this part of the company's strategy, even though the two mentioned subsidiaries are located very close to each other in two relatively similar countries.

"The processes are different. And I am not talking about Bilia in Sweden, I am only talking about we [sic!]. *BMW-dealers, not far from each other, with two completely different processes. And it has made these things complex. [...] We have difficulties integrating our businesses. Why? Because there is a border."* - SUB4

4.2.2.1 Combination potential

HQ5 does not view Bilia's international acquisitions as part of complementing the company's strategy in terms of resources. The main point she makes here is that the subsidiaries in Belgium and Luxembourg are all BMW merchants, which was already a strategic asset possessed by Bilia.

"Where we have made acquisitions, it has all been of BMW retailers. So they have fitted into our existing strategy. So we have not been looking for something which complements or adds something new really." - HQ5

However, this is something that has been done in Sweden, where firms that, for example, are specialized within car dismantling have been acquired in order to complement Bilia's operations. HQ5 further mentions that even though the internationally acquired firms have the same strategic capabilities as Bilia, the acquisitions have been made to bring the organization out into Western Europe.

"That is something we have done more with car dismantling, which complements what we do and expands what we are working with. [...] There [the international acquisitions] *it has been*

more in line with our strategy when we have expanded in Western Europe. It is our way of growing." - HQ5

There is a consensus at Bilia's subsidiary in Belgium that there were some strategic differences between the subsidiary and Bilia before the acquisition, of which some had to change in the post-acquisition process. SUB2 mentions that the Swedish operations focus to some degree on car leasing, whereas in Belgium *"It does exist, but you can count it on one hand".* As this is merely a difference in consumer behavior between the two markets, it was not an issue that had to be integrated in the subsidiary. When it comes to Bilia's focus on 'one-stop shopping', however, this was something that the Belgian subsidiary had to include more into its operations. Besides this, both representatives of the subsidiary feel that they have been left with a substantial amount of strategic freedom.

"Regarding the strategic differences, I think that they [Bilia] *are really focusing on the one-stop shopping. It was already the case, but after the acquisition it was an even more important thing within the company. Otherwise, we have a lot of freedom."* - SUB1

4.2.3 Cultural fit

4.3.3.1 Organizational culture

It is evident based on the empirical findings that there are mixed opinions regarding the cultural differences in an acquisition as well as the means by which Bilia should utilise to best manage these differences. First of all, there is a desire to create a unified entity but the way in which this is achieved may differ as the approach to cultural differences between Bilia's HQ and the acquired subsidiary change depending on e.g. the subsidiary's capabilities and limitations. For instance, HQ1 argues that it is important to implement Bilia's culture in a holistic manner whilst simultaneously keeping parts of culture of the acquired subsidiary in order to not remove the love and passion of the brand that the employees of the subsidiary are responsible for.

"[...] I think there is a fine line of adaptation in implementing what is working, and it should feel like 'One Bilia' in terms of processes, routines, leadership and policies. That 'this is Bilia'." - HQ1

This argument of creating a united company is reoccurring among other Bilia representatives. HQ4 states that the aim is to permeate an acquired company's culture with Bilia's organizational culture in order for the company to become a part of the organization. Furthermore, she believes that a strong unified organization is the foundation for reaping future benefits such as in the case of synergies or strengthening profitability.

"[...] the aim is to be one Bilia and that everyone should feel that they are working for Bilia and not be stuck in the past." - HQ4

Moreover, HQ5 emphasizes this by stating that Bilia's main priority when handling organizational culture is to implement their own culture. She declares the importance for Bilia's culture to imbue acquired subsidiaries in terms of values and being proud of the brand.

"Of course we have to implement Bilia's culture." - HQ5

It is evident that Bilia strives for a united company in terms of culture but offers its subsidiaries to keep their culture and subsequent autonomy based on different factors. Firstly, if the cultural aspects of an acquired company is deemed beneficial from Bilia's perspective there seems to be a willingness to retain the culture.

"Culture is very difficult and you should retain culture if it's good." - HQ2

HQ2 emphasizes this argument while also highlighting the fact that culture is hard to understand and if a culture is too strong it might also be clouded with problems. He further states that it is not only a question for culture relating to subsidiaries but also in the existing organization, underlining the difficulty to change culture in general. One aspect related to differences in organizational culture which Bilia has identified is that of variation in firm size. Bilia is an MNC which has a rather long history, both in their line of business but also in acquiring companies. For this reason, the companies that Bilia acquires tend to lean toward smaller sizes which can create problems.

"We often acquire smaller companies for natural reasons, which can have an entrepreneurial spirit. They might have done things in one way. This can create a challenge in the beginning when you arrive as a giant for them not to feel swallowed. " - HQ3

As HQ3 implies, being a larger company and acquiring smaller ones with more of an entrepreneurial spirit, can pose a challenge as the potential subsidiary may feel devoured by the acquiring organization. Moreover, the ways in which business is conducted might differ between the organizations. This emphasizes the importance of organizational culture as an aspect to consider when making an acquisition. Another important aspect to consider when investigating the role of culture in an acquisition is that of time. It is evident that time plays a crucial part in the success of Bilia's acquisitions and that, despite cultural differences requiring time to converge, it is important not to dwell when implementing means of changing the culture. Several representatives of Bilia agree that implementation that takes too long can have negative impacts to both Bilia and its acquired companies.

"[...] I think that there is success in early communication with the acquired company in order for them not to live on their own too long, because we have seen cases when we have waited too long and the subsidiary receives too little Bilia culture. This makes it very hard because they keep going." - HQ1

HQ1 states that communication between the HQ and its subsidiaries is important especially in early phases of the implementation process as the longer time goes by the harder it gets. Early communication in conjunction with implementing Bilia's culture are two key aspects when determining the success of an acquisition. The statement above highlights the impact that time has on culture and that subsidiaries can become rigid in terms of culture when left to their own devices. Furthermore, the fact that Bilia intends to create a united company in terms of culture whilst also allowing for subsidiaries to keep their own cultures in some respects, might be an underlying reason behind the rigidness as described in the statement above. HQ2 states that Bilia might showcase excessive portions of respect towards the culture of subsidiaries, emphasizing that Bilia does not want to completely vanquish the acquired company.

"If you wish to unify you have to unify from day one otherwise it can create a long period in which the subsidiary gets frustrated and does not know in which direction it is headed. The implementation takes too long." - HQ2

He describes two alternatives when accessing culture in a subsidiary which relates to either retaining or implementing their own culture. In both cases however, the most important aspect is to make sure it is done from day one. If no actions are taken or if these are not communicated in the initial phase of implementation it might cause frustration for the subsidiary as it lacks information on where the company is headed. The subsequent effect of this is that the implementation phase takes too long, further highlighting the importance of time in terms of culture implementation.

4.3.3.2 National culture

In terms of managing national culture Bilia HQ are aware of the importance that this aspect plays in integration. HQ5 emphasizes national culture when discussing challenges in regard to the integration process in international acquisitions. She highlights differences in language and a greater physical distance between HQ and subsidiary as factors that may impede integration in the post-acquisition process.

"How do you get them [the staff of the acquired company] *to feel like they are a part of the Bilia-family?"* - HQ5

HQ5 further states that acquiring companies nationally tend to be more straightforward in terms of integration due to other factors such as brand reputation. These factors combined form the question of how to make acquired companies a part of the organization in regard to a high degree of integration. Furthermore, it is evident from the empirical findings that Bilia understands that national culture is connected with organizational culture. Bilia wants its one culture policy to act as a foundation but recognizes that national culture can impact the subsidiaries. As HQ5 highlights, Bilia's cultural foundation should be present in all organizations, but the overall culture of subsidiaries might differ from country to country.

"Bilia's culture might be different if you are in Luxembourg, Sweden or Norway but the pillars must always be present with what we think is important." - HQ5

The aspect of national culture is of importance from a subsidiary perspective too. For instance, Bilia's subsidiary in Luxemburg does not feel completely integrated into the organization. SUB4 of this subsidiary refers to differences in national culture and language barriers to explain this divergence between them as a subsidiary and Bilia HQ.

"For the rest, unfortunately we are quite far from Sweden. It's another language and culture and so on." - SUB4

Furthermore, these differences combined with a rather large geographical distance between the HQ and subsidiary can create a feeling of not being deeply integrated. According to SUB4, this is e.g. prevalent in meetings between the two entities where the subsidiary representative states that the time and human aspect of an acquisition plays a role in integration as the management of Bilia HQ have known each other longer and been involved longer.

Language differences are not only a hindrance for a subsidiary but can also create issues for the HQ. The common view of representatives of Bilia's subsidiary in Belgium is that Bilia HQ now has to communicate in another language, English which can put a strain on the HQ. In this case, Bilia has to provide e.g. paperwork to its subsidiaries which have been translated from Swedish to English.

"*I understand that it's not always easy for them* [the Bilia HQ] *to translate everything* [...] *before they only had concessions in Sweden, Norway and Denmark so the language is comparable.*" - SUB1

4.3 Level of integration

Regarding the process in which the desired level of integration is decided, some of the Bilia representatives have the shared view that the acquired company has a significant degree of bargaining power. The decision-making process, however, is shared between top-level management at the acquiring company along with the newly appointed management in the acquired company as well as with the board of directors. One common problem that occurs is that even though Bilia desires a high level of integration, different rules, some that are already stated in the initial agreements and some that appear as time goes, prevent these efforts. In order to overcome this obstacle, communication has proven to be a key feature.

"[...] my spontaneous feeling is that it becomes what it is in accordance with the agreement when you keep a dialogue with the acquired company, because it is often they who have the knowledge regarding what we can and cannot do." - HQ1

This process is difficult to generalize about when it comes to Bilia's previous acquisitions, as it heavily depends on what type of company the acquired company is. HQ2 states that the decision becomes somewhat of an 'either or', meaning that it is important to decide early on if Bilia wants to implement its features in the acquired company, or if they want to leave the company 'as is' and merely receive the new company's financial contribution. In his view, these two methods are difficult to combine. Concerning the way that the newly acquired companies have to adapt to Bilia's way of operating, HQ2 is certain that it is important to be as clear as possible from the start. When the company is in the process of restructuring a vital part of its operations which would affect every subsidiaries' operations, problems might arise if the communication has not been adequate. Sometimes aspects of a subsidiary's way of operating might have to change, not because it is working poorly, but simply in order to align with the way that the whole organization does things. Under these circumstances, being clear about what is about to happen, and how the changes are going to affect certain employees, is especially important.

"You can always be clear that there will be changes. 'There will be changes - period'. I believe that it is very, very important, when we are talking about the organization." - HQ2.

HQ5 mentions that determining the level of integration of a new firm is extremely difficult. Firstly, it has to be decided in a way, so it becomes advantageous for the new firm itself, instead of disrupting the daily operations. Therefore, it usually becomes a discussion among higher up management at the HQ about what, how and when to proceed with different steps in the integration process, as well as in what order. Therefore, it seems like the level of integration is not fully decided in one particular motion, but rather an ongoing discussion where decisions are made depending on how different aspects are looking at that moment.

"This is very, very difficult. So there is an act of balance involved. Because you need to integrate what you must integrate in the best way and in a way that is beneficial for the firm, right? But also doing it at a certain pace so it does not disturb the operations, but so that they can continue their business as usual. So this often becomes a discussion about what we believe is important to do, in what way and when we do it." - HQ5

Concerning the 'when' aspect of integration activities, HQ5 is confident that the general perception is often that Bilia has waited too long in most cases. One key problem of this is that this leads to the fact that employees at the acquired company stop believing that certain things will happen. When these activities actually do take place, it can upset these employees even though it would not have upset them if it happened earlier on.

"I think that if you talk to some people in the organization, they would say that we have left some acquired companies too long. To do certain integration activities. Which makes them believe that it will not happen, and when it does they become a little upset or concerned over it happening. That is a classic when it comes to integration." - HQ5

4.3.1 Degree of autonomy

It is evident based on the empirical findings that Bilia tends to allow certain aspects of a subsidiary to remain autonomous when being acquired by the company. These aspects may be linked to everyday business as the acquired company has connections and experience in this field. In the case of international acquisitions these subsidiaries also know the local language as well as potential differences in regulations and can act accordingly. In terms of other aspects such as financial reporting and HR-related control systems, Bilia aims to standardize. As HQ2 states, having a unified organization in relation to sharing processes throughout the organization can create benefits.

"*Because when we acquire a company we want that company to be unified in order to profit from the advantages related to having shared processes throughout the organization.*" - HQ2

This is due to several reasons. Firstly, Bilia must withhold a certain level of financial reporting being listed on the stock exchange. The subsidiaries that are acquired are often family-owned businesses which have not reported in a manner deemed up-to-par.

"*If we have one product, one process we can create good benchmarks*" - HQ2

Furthermore, HQ2 stipulates that having a process in which the subsidiaries have certain aspects standardized gives Bilia the opportunity to measure the results as they can create benchmarks. The aspect of autonomy seems to be particularly prevalent in the context of international acquisitions. In international acquisitions the culture may be left more as it is and the introduced aspects, from the Bilia HQ to its subsidiaries, relate more to tasks such as in competency and experience.

"They [the subsidiaries] *have more autonomy abroad, yes absolutely. They are more independent. We have offered mainly competency and experience and other important aspects such as leadership."* - HQ3

This view of increased degree of autonomy for international subsidiaries is shared by representatives from Bilia's subsidiaries. SUB2, operational director of a Belgian subsidiary, states that Bilia does not intervene if not asked or if it is not deemed necessary by the HQ in terms of e.g. financial results. This is further elaborated upon by SUB1 who states that the autonomy is especially related to the operational business. Moreover, she adds that, in regard to the daily business in which the subsidiary acts, they are left with almost complete autonomy which correlates with Bilia's strategy regarding autonomy as presented by the representatives of Bilia.

"Daily business, we are here, we know the region and the customers, so we have a lot of autonomy regarding that." - SUB1

Another subsidiary of Bilia, Bilia-Emond in Luxemburg shares this view of being fully integrated when it comes to the financial aspect of an acquisition but SUB4, operational director of the company, states that in other aspects such as culturally they feel far away from the HQ.

"[...] where we are fully integrated, is finance." - SUB4

4.4. Synergy realization

Prior to the post-acquisition process, there seems to be a discrepancy between Bilia representatives concerning how much that is known about the expected synergies sprung from the acquisition. HQ3 recognizes that this is mainly true for the international acquisitions, as the markets are less known for Bilia representatives. This lack of knowledge is far from true about the Swedish market, which makes it significantly easier for Bilia to comprehend the potential synergy levels on all levels. HQ1 mentions the fact that Bilia is a publicly listed company, which prohibits the news of the acquisition to leak publicly before the official press release is issued. In order to make sure of this, many of the Bilia representatives are merely given a heads-up just before the acquisition is made public, which gives them a limited amount of time to prepare. Meanwhile, some of the upper-level management staff are required to be informed from the very beginning, in order to be a part of the initial processes. This makes it difficult for many departments to start their work to facilitate synergy realization before the acquisition is finalized.

"[...] but all the departments do not know that it is happening. Because the fact is that we are not allowed to talk about it, which makes it very difficult to start anything beforehand." - *HQ1*

This is one of the reasons why many of the Bilia representatives have experienced that they are not communicating with their new subsidiaries as a combined unit, but rather as individual departments who enter the post-acquisition process merely when issues related to their specific tasks occur. This method is seen as problematic by representatives, and there have even been individual efforts to develop a time schedule for this process in order for the different departments to combine their communication. One aspect of this issue is that it is seen as important for the acquired company to experience their take-over as professional and first-class, as part of creating a good first impression of Bilia as their parent company.

"I myself have made such proposals for time schedules, because I believe that it is important that we come as a united group. Our objective is for the company that we are purchasing to feel that 'this is a first-class transfer". When we take over, that we actually go in and really: 'this is how we want it to happen, what do you think?'. But now we come a little bit from the side." - *HQ1*

HQ3 mentions, as seems to be consensus in Bilia, that all the departments are very aligned in the actual acquisition process, where due diligence and similar activities are performed, but often lose this alignment in the post-acquisition process.

"[...] that has been somewhat of a challenge. Vi have been very much aligned during the due diligence process, but then we have perhaps lost our tempo with each other during the integration. And that is something that we are looking at now, how we can continue to keep the pace there." - HQ3

As for the synergy expectations, HQ2 mentions that the last part of the integration process is the 'post calculation' phase, in which the initial expectations are compared to what actually occurred. This evaluation is usually made after a substantial time after the acquisition, since it, according to HQ2, is difficult to witness any effects before the post-acquisition has been in motion for a while. Apart from looking at the level of synergies that has been achieved, the overall operations of the subsidiary as well as future opportunities are also observed. To HQ2's knowledge, not much effort is put into evaluating the acquisition in terms of synergy realization after this check-up, as, by that point, they have moved on to another situation. This far in Bilia's international expansion through acquisitions, synergy realization has proven to take significantly more time to achieve than the company has expected. However, in HQ2's view, this issue is related to cultural issues rather than organizational issues.

"This is actually our last step of the process, if we are now talking about the process we are working with, that is the one we call 'post calculation'. This means that we go in and look at what expectations we have for development and consequently also synergies where we acquired the company and how it has become today after we acquired the company [...] It always takes more time than expected. It does not go as fast as we think, these things. And that is a cultural issue, it is not an organizational issue." - HQ2

Concerning the 'post calculation' phase, HQ5 specifies the time plan for measuring the synergy effects of the acquisition by saying that it happens after two or three years. This is done by making a written-down calculation where margins of the acquisition purchase are compared to the margins of the expected synergies. She also clarifies that if they seem to be missing their initial target of synergy realization, the check-up is postponed by another two years.

"Yes, normally we make a calculation for the board in relation to the acquisition where we say that 'these are the margins that we are buying to' and 'these are the margins that we think that we will hit when we absorb the synergy effects'. And there we follow up between two or three years after the acquisition to see how it looks. And if we are not in line with the target that we have set up, we follow up again after an additional 2 years or so." - HQ5

HQ4 states that the biggest challenge of acquiring new companies has been to realize the expected synergies from the acquisitions. In her view, the biggest issue here is that it is difficult for the people involved in the due diligence process and integration process to cope with the substantial level of workload. As almost all parts are handled internally, there is a risk that the staff is tired out from the different tasks involved in the acquisition before the integration process has even begun. The same seems to be true for the IT department as well as for the financial department, which further proves that the internal capacity of Bilia is a limiting capacity when it comes to fulfilling the intended goals with the acquisitions. At least if the company intends to keep growing at the same pace as it is now.

"[...] you have to cope with, not only the due diligence process, but since we handle almost everything internally, you have to cope with the integration process [...] and then there is a risk that you tire out your own staff, there is so much to do. And the IT department was heavily burdened, since there were new companies which would be integrated into our IT environment, and the same goes for the financial functions. And it is clear that it is always difficult if it moves too fast relative to what we have internal capacity for, so that is one of the challenges." - HQ4

4.4.1 Task and human integration

When asked about how the realization of synergies has been dealt with in terms of sharing resources and capabilities, both SUB3 and SUB4 of the subsidiary in Luxembourg testify that it is not something that they have experienced much of yet. However, SUB4 mentions the aspect of after-sales, meaning the service provided to the customer after the actual sale has been made, as one type of improvement in this regard. Before the acquisition, the aspect of after-sales was not handled with great care at the company, and seemingly changed for the better after Bilia sent a person in charge of after-sales who analyzed the situation and created an action plan in order to fix their issues.

"In Belgium the after-sales were well organized, that was not the case here. [...] An auditor for after-sales internally for Bilia came here, made a diagnostic [sic!] *and created an action plan."* - SUB4

Besides implementing organizational features into the subsidiaries' operations, the representatives of Bilia testify that the parent company often learns about how things can be done differently by observing the companies that they acquired. HQ1 mentions that they are trying to operate with a best-practice type approach, in which they recognize efficient methods and try to implement the same methods into areas of the company that have room for improvement.

"I think we learn from each other pretty much actually. We are working a lot based on 'best-practice', so we should learn from the best so if there is someone who is very good at something we bring it to Bilia and look at which companies that have to improve in these areas and try to implement it into multiple places." - HQ1

Moreover, this is not always a holistic approach, as some superior methods are not suitable for all locations, but there have been occasions when the company has been able to use fragments of something bigger that can be implemented into other subsidiaries. HQ4 underlines this approach, as she mentions that her experience is that Bilia is rather responsive when it comes to recognizing the parts of the acquired companies that are managed the best. She brings up one example of two recently acquired companies working with car installments, where they quickly recognized in which areas one of the companies was superior to the other. These superior methods were then swiftly implemented in their other subsidiaries working with car assembling and car disassembling. One key aspect that makes this method work for Bilia and its subsidiaries, is that, according to HQ4, Bilia is not especially prestigious about the way they operate, but rather open to new ideas.

"If you look at a new company, that 'this is being done better', then we bring that to our other subsidiaries. [...] so there I believe that there is no prestige at Bilia, but there we are very open with that if someone else is doing it in a better way, it is obvious that we should do it in the rest of the organization as well." - HQ4

Regarding the human integration aspect, SUB4 can see a more straight-forward level of success. In his view, the whole integration process was generally positively perceived by himself and the employees at the subsidiary. From his experience of the acquisition in Belgium prior to the acquisition in Luxembourg, he realized that the corporate values in the Belgian firm were very similar to the ones that Bilia had. The fact that these values were already incorporated in Belgium made it easy to implement them without too much resistance in the subsidiary in Luxembourg. SUB4 talks about his ultimate responsibility to satisfy his shareholders. In order to do so, one part is that he first has to make sure his employees are satisfied and motivated, which he feels has already been accomplished in terms of creating a good atmosphere towards the acquisition.

"They [the company values] *were completely similar. I mean what we expect from our employees in terms of behavior and so on. It was already integrated in Belgium and was installed here. And if I told you, of course my mission is to make my shareholders happy, and to make my shareholders happy, I start from the crash* [sic!], *I make my employees happy and motivate and create customer satisfaction and create a positive financial effort. And it is what we have done."* - SUB4

HQ5 is also positive about the level of human integration that has been achieved in the international acquisitions. However, there is more often than not an initial level of concern towards the acquisition from the employees. Questions regarding how the acquisition will affect them practically as well as a general wondering about what will be restructured often occur. The level of employee satisfaction is measured regularly through surveys, and the results of which are compared to a benchmark index. HQ5 mentions that these initial concerns are often eased as the post-acquisition process moves forward.

"We measure these things every year and compare them to a benchmark index. [...] That way we can see exactly what they think. We feel that we are in control of this, but generally it is a bit messy in relation to the access and before you know what this all means. And maybe you are concerned about what will be reorganized and 'what is really expected of me?'. [...] And you keep working forward and get along with it and it usually settles down." - HQ5

5. Analysis

In this chapter the empirical findings are analyzed using our theoretical chapter as a framework. This chapter follows the same foundation as the empirical and theoretical chapters which is done with the aim of creating consistency and structure. Potential discrepancies between the empirical and theoretical sections are discussed. Furthermore, in the final section of this chapter we summarize our analytical findings and present a revised conceptual model for understanding how the post-acquisition integration process can be managed.

5.1 Determinants of the integration process

5.1.1. Organizational fit

The previous literature on post-acquisition integration makes it clear that organizational integration is one of the, if not the, most important parts of integrating a newly acquired firm (Datta, 1991; Larsson & Finkelstein, 1999). However, as the previous literature provides an incoherent view of exactly what aspects and parameters that go into this broad subject, it is difficult to capture the essence of how firms should lay out their integration strategies in this regard. With the definition provided by Larsson & Finkelstein (1999) in mind, it has become obvious from the empirical findings that organizational integration is indeed a prominent aspect of the post-acquisition process.

5.1.1.1 Organizational structure & management style

While Datta (1991) mentions differences in organizational structure as a leading factor for the post-acquisition process to end in less favorable results, there seems to be a lack of tangible research on how this aspect can unfold in actual acquisitions. This can however be seen in the case of Bilia, where most of the interviewees mention this type of incompatibility as an initial hindrance of integration. The most frequent notion concerning this aspect is the fact that Bilia is a bigger organization than the firms that it is acquiring. While it is no surprise that acquiring firms are usually bigger than the firms they are acquiring, it seems to create similar situations in most acquisitions that, in our view, has not been highlighted by earlier research on the subject to the extent that it deserves. Leading personnel at Bilia witness that small, family-owned businesses are usually structured in a way that both substantially differs from an organization such as Bilia as well as is difficult to quickly restructure.

Concerning the differences, it usually lies in the formality of the structure, where the organizational processes of the acquired firms are more informal with less clear directions of how communication and hierarchical channels are drawn. Even though the 'informality' at the acquired firms has been identified as a sort of summarizing term for the differences in organizational structure, many interviewees have also mentioned that Bilia, along with the lion share of Swedish MNCs, is horizontally structured, which the acquired firms usually are not. This means that firms where a lot of the decision-making mandate is located with a few people in leading positions soon would have to reallocate this mandate to other employees, if a high level of integration is sought-after. As mentioned, these organizational differences can be difficult to change or integrate quickly. This is because the structure in these companies is embedded in the company as a result of a long period of time with the same management, as is often the case with family-owned companies.

One aspect of organizational structure that has been used as a category for analyzing the organizational fit between Bilia and its target companies is type of management style, as it has much to do with how decision-making and communication is handled internally. Covin & Slevin (1988) identifies a more informal and flexible management style as an entrepreneurial style, in which decisions that entail a certain level of risk are more often made. Bilia, being more formal than the firms that it acquires, can therefore be less open to risky decisions, which is a mindset that has to be transferred to the acquired company if high integration is preferred. Some aspects of management style are, according to the interviewees, important for Bilia to integrate across the whole organization, which means that these aspects of management style should be carefully considered in the integration process.

Datta (1991) mentions these differences between formal and informal management style in the integration process, and that it can create uncertainty among the employees about which management style will prevail in the future. It can therefore be crucial for acquiring companies to be clear about its intentions early on, in order to decrease the level of uncertainty, as uncertainty can obstruct other aspects of the integration process. This is also an aspect that is evident in the empirical findings. Furthermore, similarity of management style has, according to Larsson & Finkelstein (1999), a negative correlation with employee resistance, another risk factor for integration obstruction. As the management styles of the companies that Bilia acquires are usually significantly different from Bilia's, this is a factor that has to be taken into consideration as well.

5.1.1.2 Reward and evaluation systems

The second type of organizational feature that has been used to analyze the post-acquisition process is reward and evaluation systems. Firstly, in our view, it can work as an indicator for all HR-related features that need to be integrated. Secondly, it is an important feature of organizational integration, as it affects the coordination of several other parts of the integration, such as organizational culture and communication (Kerr & Slocum, 2005). There seems to be a consensus among representatives of Bilia that there is usually an effort made to integrate these types of features quickly after the acquisition is finalized. This is partly due to the fact that it is experienced as easier to align with Bilia's existing systems than other organizational features. In this regard, Bilia is able to put itself in a good starting-position for the post-acquisition process, as the company quickly can align these systems that help facilitate large parts of the rest of the integration phase.

However, there are circumstances which make this process more difficult, especially when complex agreements have to be negotiated with third-party representatives, e.g. unions. Thus, acquiring companies can use swift integration of reward and evaluation systems to facilitate the next phases of the post-acquisition process, but should be aware of circumstances that can prolong the otherwise painless implementation. The aspect of formality plays its part in this regard as well, as some of the interviewees mention that family-owned businesses rarely have written-down agreements of these types of systems. This can affect the integration process further, as it is often the acquiring company that implements its systems into the acquired company's operations. This could, according to Datta (1991), create conflicts, as the implementation can be regarded as arrogant by the acquiring company which makes the acquired company become defensive. The more different the two systems are, the higher the risk is that these conflicts occur, which is something that can obstruct the whole integration process. It should however be mentioned that many of the representatives from the HQ believe that the systems that get implemented after the acquisition are more often than not more beneficial for the employees than the systems they had before. If this is true, the level of arrogance and defensiveness should reasonably be lower, and therefore a lower number of conflicts should occur.

5.1.2 Strategic fit

5.1.2.1 Combination potential

The previous literature on the post-acquisition process highlights strategic fit mainly as a prerequisite for synergy realization, in terms of economies of scale and productivity measures (Bauer & Matzler, 2014; Homburg & Bucerius, 2005). Despite this, of all the different determinants of acquisition integration that we have included in our analysis, strategy was by far the least prominent factor in the empirical findings. Some aspects were mentioned as difficult to integrate, especially the process of aligning the strategic processes between all the different parts of the organization. The benefits that come from strategic similarities can therefore be quite difficult to fully obtain, such as reduction of costs. What has become evident however is that the international acquisitions that Bilia have made, and will continue to make in the short-term, are strategically justifiable in a two-folded sense. Firstly, in an international context, Bilia is acquiring firms that are already operating with an existing brand in Bilia's portfolio. This aspect itself has a two-folded effect on the organization, where the first is that it gives Bilia the conditions to realize synergies related to economies of scale and the other is that the strategic focus of the subsidiary does not have to change, which if it did could create uncertainty among the employees. Secondly, the main reason that Bilia are acquiring these international firms is for seeking new markets to grow within, as their perception is that the company is already too big to further grow in its current markets. However, this is not an aspect of post-acquisition integration as much as it is a strategic focus of the organization as a whole.

As for the combination potential, mentioned by Larsson & Finkelstein (1999), between an acquiring and an acquired firm, which includes both strategic similarities as well as differences that can work as complementarities to the acquiring company's strategy, it had a very small significance in the empirical findings. In our view, this has largely to do with the industry that the case company operates within, where strategic similarities seem to be the most important aspect of strategic fit. However, Bilia has made domestic acquisitions with the sole purpose of widening its portfolio, which show signs of combination potential having a significant part of Bilia's future international acquisitions.

5.1.3 Cultural fit

5.1.3.1 Organizational culture

Angwin & Meadows (2015) states that the loss of cultural autonomy for a subsidiary related to an acquisition can impact the organizational culture negatively. It is apparent in the empirical findings that Bilia prefers a rather ‘unicultural’ approach, as highlighted by Nahavandi & Malekzadeh (1988), in that they want to create a unified organization with their “One Bilia”-policy. Bilia wants their culture to permeate the acquired subsidiaries in a quite holistic manner. It can be argued, based on theoretical findings, that this way of handling organizational culture will lead to a loss of autonomy for the subsidiaries in terms of organizational culture much in the line of, what Nahavandi & Malekzadeh (1988) calls assimilation, i.e. adapting to the dominating culture. However, Bilia acknowledges that keeping certain parts of the subsidiaries’ organizational culture autonomous can be beneficial. In aspects such as brand pride in the subsidiary’s point of view, Bilia wants their subsidiaries to retain this aspect. In this, Bilia imposes more of a multicultural approach which, in accordance with the aforementioned literature, could lead to integration. The two-fold empirical findings could imply that relevant literature concerning organizational cultural autonomy takes a too simplistic and narrow approach in that high autonomy equals better integration and vice versa. Instead, with regards to how Bilia handles this issue, perhaps keeping certain aspects autonomous whilst simultaneously implementing the HQ culture in other aspects could prove beneficial.

The concept of subcultures, e.g. occupational culture as proposed by Viegas-Pires (2013), were not found in our empirical findings which suggests a discrepancy with the existing literature. To the contrary, one aspect that is not, to our knowledge, extensively covered in existing literature is that of time in relation to overcoming issues related to organizational culture following an acquisition. Based on the literature deriving from our theoretical discussion, the main concern that is considered seems to be that culture takes time to implement into an acquired organization. In terms of our empirical findings, one interesting observation regarding time stands out which is that, for culture to be properly implemented, action must be taken immediately upon acquiring a company. The empirical evidence suggests that leaving an acquired company to its own devices for too long will make implementing the culture significantly more difficult for the HQ. Furthermore, it seems like opposite effects may even take place in that the acquired company gets negative feelings towards the acquisition such as being frustrated or disorientated in regard to where the company is headed. The aspect of time concerning implementing organizational culture is closely related to communication which representatives from Bilia highlight as a key component of the implementation phase. It is not enough to take action from day one of an acquisition and start implementing an acquiring organization’s culture, the HQ should also present clear communication to its subsidiary. This should also be done from the start and throughout the integration process in order to avoid confusion and perhaps let the subsidiary voice any concerns or suggestions for improvement.

5.1.3.2 National culture

The framework as presented by Hofstede et al. (2010) gave an understanding of the concept of national culture but was otherwise not brought to attention by the representatives of Bilia. Based on the CAGE framework by Ghemawat (2007) presented in the theoretical framework, there are certain aspects of national culture that play significance when integrating an acquired company. Bilia has identified national culture as a parameter to take into consideration, both in pre-acquisitions but more importantly, in terms of post-acquisition. To begin with, the geographical differences in e.g. physical distance, as presented by Ghemawat (2007), goes well in line with Bilia's internationalization approach as seen in the first section of the empirical chapter, 4.1 Bilia. Bilia began expanding in Scandinavia before, in more recent years, expanding to other countries in Western Europe such as Belgium and Luxembourg. Furthermore, the cultural differences between Bilia and its subsidiaries in mainland Europe have an impact on the way Bilia handles its subsidiaries. Based on the empirical findings, the most prevalent aspect of national cultural differences is that of language differences. Bilia has had to implement changes in relation to language differences between HQ and subsidiary. As stipulated in the empirical findings, the Bilia HQ has had to begin providing paperwork in English for all the international subsidiaries to take part in. This could be especially time-consuming and perhaps cause e.g. frustration and confusion if it requires both the HQ and the subsidiary to communicate in a third language.

Apart from the previously discussed differences that occur on a national level in terms of culture, the empirical evidence does not indicate much support for other aspects deriving from the theoretical framework. For instance, the aspects related to networks in the CAGE Framework as well as the dimensions of national culture as suggested by Hofstede et al. (2010) were not, as stipulated, present in our empirical findings. This might be due to the tacit nature of national culture and especially the dimensions. The degree to which we believed national culture to be important does not correlate with the actual real-life examples. However, it is still evident that national culture is something that internationally acquiring firms such as Bilia takes into consideration throughout the acquisition process.

5.2 Level of integration

As discussed in the theoretical framework section, the level of integration that a company's HQ wants their acquired subsidiary to implement is important in order to not over or under integrate the acquired company. In the empirical findings, it is evident that Bilia's approach is consistent with the literature in this regard as they believe there is no 'one size fits all'-approach when it comes to the level of integration. Factors such as company type and size of the acquired subsidiary, and time, or more specifically timing, plays key roles in the integration. For instance, Bilia sometimes tends to leave their subsidiaries to their own devices in all aspects except financial reporting which could indicate under integration. In accordance with Pablo (1994), there is no clear guideline to which alternative is better, i.e. over or under integrating as they can both lead to value creation as well as destruction. Therefore, it might be more rewarding to examine the reasons why HQ chooses the intended level of integration, i.e. the characteristics of the phenomenon.

According to Pablo (1994), the three themes regarding characteristics of the level of integration are task, cultural and political. These themes overlap with other aspects of the integration process and will be covered more in depth in their subsequent sections. Based on the empirical findings, perhaps the most prevalent theme is that of the first one, task. It is evident, based on the empirical findings in the company description in section 4.1.1, that Bilia acts in accordance with this theme as they share resources and learn from their subsidiaries. Furthermore, in terms of the cultural theme Bilia acts both multiculturally and in a 'unicultural' manner as previously stated. This indicates a mix of high and moderate levels of integration which goes in line with Bilia's approach as well as is consistent with the literature. On all themes, Bilia acts in a way that emphasizes balance which can summarize the political theme as well. However, features related to the political aspect were not as prevalent as the other two. This might be due to a small sample size or the sensitivity of the subject.

5.2.1 Degree of autonomy

The higher levels of autonomy that an acquired subsidiary gets to maintain following an acquisition is, in accordance with existing literature, often beneficial both in terms of a subsidiary's satisfaction as well as overall results. There are however arguments made by Weber (1996) where in some industries the degree of subsidiary autonomy is less important. In cases such as these, the results may actually show reverse effects and it is therefore potentially beneficial for an organization’s HQ to take control over the subsidiary. Based on the empirical findings, it is not clear whether Bilia recognizes the industry aspect of letting their subsidiaries keep higher degrees of autonomy. This might be due to the fact that Bilia is rather homogenous in regard to this aspect. Instead, Bilia focuses on dividing the degree of autonomy based on different parts of the business that their subsidiaries conduct. For instance, Bilia wants their organization to be standardized in terms of financial reporting, HR-related issues, and other processes such as marketing. In terms of other aspects e.g. day-to-day business management Bilia tends to give their subsidiaries more room to function autonomously. This is particularly prevalent in Bilia’s international acquired subsidiaries where the degree of autonomy is higher and the subsidiaries more independent. Based on this discussion it looks like Bilia takes the degree of autonomy into consideration when acquiring companies in order to not cause e.g. disruption following an acquisition, in accordance with what Angwin and Meadows (2015) states in this matter.

5.3 Synergy realization

According to the previous literature, the potential to realize the synergies that comes from an acquisition is based on how well the aforementioned ‘fits’ are handled in the post-acquisition process Jemison & Sitkin (1986). Firstly, Barney’s (1988) claim that no unexpected synergies can come from acquisitions, as they are always reflected in the acquisition price, seems to be a prevalent factor in this case. The fact that many of the Bilia representatives witness that details of the acquisitions are kept secret from them until the acquisition is publicly announced leads to the fact that necessary preparation efforts are often compromised. As it is difficult to grasp exactly which factors are involved when realizing synergy effects, the four impediments to synergy creation mentioned by Jemison & Sitkin (1986) can be helpful to initially analyze this aspect. Concerning the negative effects of activity segmentation, Bilia representatives are vocal about their concerns of how the segmented working method between different departments are negatively affecting their specific department’s efforts. Just as is described concerning this impediment, the segmentation creates difficulties to properly analyze the integration process due to lack in communication. Concerning the net effect of momentum, we could see an effect on the integration process in the empirical findings. The representatives from Bilia mention that the due diligence phase of the acquisition process often runs smoothly, and that all the different departments are aligned at this stage. However, as time goes by and the process transits into the integration phase, decisions are made more independently of the other departments, which makes the different departments lose pace with each other.

When it came to the effects of the ambiguity that lingers on from the negotiation phase of the acquisition into the integration phase, not much was found affecting the synergy realization in the empirical findings. Ambiguity about expectations on e.g. acquisition performance was more related to the acquiring company stating its purposes early in the acquisition process, which was mentioned related to determining the level of integration. Furthermore, no signs of misapplication of management systems were detected from the subsidiaries' points of view, at least not of any strategic capabilities that the subsidiaries possessed. Some traces of this impediment could be found regarding organizational features of the subsidiaries, where Bilia representatives mentioned that it could happen that Bilia implemented its systems without regarding the strengths of the subsidiaries' systems. However, we could not see that this aspect expressed itself in terms of loss of synergy effects being realized. One impediment to synergy realization that, to our knowledge, is not described in the previous literature but was evident in this case was the risk of tiring out the work staff. According to one of the representatives, a large part of realizing synergies has to do with the staff providing work within different areas, which they are less able to do if tired out.

5.3.1 Task and human integration

The aspect of task and human integration as catalysts for synergy realization has been very clear in the empirical findings. However, only some examples could be found where task integration, in its true form of resource and capability sharing as described by Birkinshaw et al. (2000), expressed itself. The direction in which these capabilities were shared was mainly one-sided, namely from the acquiring company to the acquired companies. However, using a best-practice type approach to learning, Bilia has been able to obtain capabilities from the acquired companies and applied it to other parts within the organization where it has been applicable. In our view, this type of synergy creation is consistent with how the idea of task integration is developed. In accordance with the reviewed literature, the time aspect of realizing synergies through task integration played a significant role in the observed case. It was heavily mentioned by the interviewees that realizing synergies by this method almost always take more time than expected. In order for this to be more controllable for the company, specific time frames have been installed for evaluating synergy effects, with longer periods for those synergies that lag behind the targets that have been set beforehand.

When it comes to human integration, which according to Birkinshaw et al. (2000) works as a facilitator for synergy realization rather than a realizing factor itself, Bilia recognizes its importance. By using well-developed tools for measuring employee satisfaction, the level of human integration is constantly clear to the leading personnel. Similar patterns were found in this case as in the existing literature, where channels of communication for decreasing uncertainty were heavily used in both cases. As it was for the aspect of task integration, the timing of the issue was somewhat of an issue for human integration as well. This is consistent with the cases that were observed in the previous literature, where it was always deemed a lengthy and complex process, even though an adequate method was implemented to ensure high levels of human integration.

5.4 Summary of analysis; a revised conceptual model

In the analytic process, it has become evident that practically all parts of the theoretical framework are in some way represented in the empirical data which paved the way for the construction of a revised conceptual model of figure 1. Meanwhile, some aspects of the post-acquisition process that are stated as pivotal for acquisition success in the previous research on the subject are barely mentioned, or at least downplayed by the interviewees, and vice versa. Further, the reason why some aspects, such as strategic fit, were not as represented in the empirical data as it was in the theoretical framework was, in our view, because of the chosen case company and its industry. This was either because the aspects are not as applicable to the company's industry as they are to other industries, or simply that they are not relevant yet but might be when the company has come farther in its internationalization journey. We took a broad perspective and included aspects that are not central in the earlier research on the post-acquisition process. The main aspect that we included in this regard was the effect that national culture has on the integration process, which it had to some degree but with next to negligible significance in the grand scheme of things. Nevertheless, national culture is important in terms of making a clearer distinction of culture. Lastly, in the revised conceptual model, consideration was taken regarding two themes that were reoccurring among several aspects of the post-acquisition process. These two themes are time and communication, which has proven to be extensively important whether they were concerning cultural implementation, organizational integration or synergy realization. The fact that these two themes were present in a vast range of aspects indicates their importance in managing, throughout the post-acquisition process.

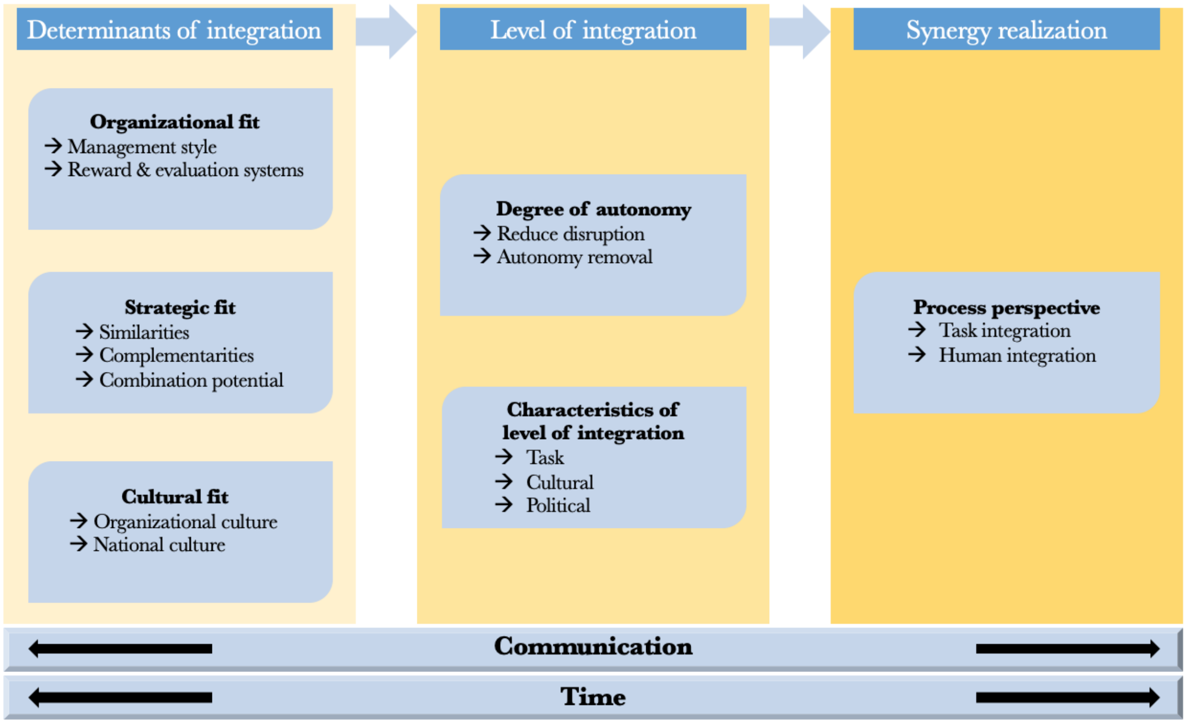

Figure 3: *Revised conceptual model of the post-acquisition process - constructed by the authors*

6. Conclusion

In the final chapter of this report, we summarize our main findings and answer our research questions. This is followed up by outlining what we have contributed to our scope of research, i.e. the theoretical contributions. Based on our findings we provide insights to practitioners in the managerial recommendations section. Lastly, we present aspects of our report which can be studied further in the last section on future research.

The main purpose of this study was to understand how firms can manage the post-acquisition process of newly acquired foreign subsidiaries by taking a broad academic perspective on the subject. The main research question that was aimed to be answered was therefore: *How can the post-acquisition integration process for MNCs that acquire foreign subsidiaries be managed in order to create value in the form of synergy realization?* By taking a broader perspective than earlier scholars have done, we recognize that an already ambiguous process can become even harder to define. To counteract this fact, we have constructed a model based on pertinent literature, which can be seen in figure 1. This model was then used as a framework to analyze our empirical findings which led to the construction of the revised conceptual model as seen in figure 3. The revised model encompasses the same aspects of the theoretical model as these were proven to be of significance, as shown in the analysis. Furthermore, emphasis was put on two main themes that permeated a vast range of aspects in the integration process, which became evident in the empirical findings. These two themes, time and communication, showed considerable importance when managing the post-acquisition process and were therefore added to the revised model as pervading factors to consider throughout the process. With the added themes, this revised model can be used as a framework for understanding the post-acquisition integration process of newly acquired foreign subsidiaries. If used as an incremental framework, this model can act as a guideline for managing integration issues that might occur in the post-acquisition process.

To better understand how this process can be managed, the main aspects of the post-acquisition process had to be mapped out. Therefore, we set out to answer our sub-research question: *What are the most prominent aspects to consider for MNCs when managing the post-acquisition integration process of internationally acquired firms?* To answer this, we have throughout the research process made efforts to divide the core process of acquisitions, namely value creation, into two separate issues. Firstly, we have the process of ensuring the right conditions for creating synergies, by including aspects of organizational, strategic and cultural fits as well as to determine the level of integration that the acquiring company sees as suitable for each acquisition, in which aspects of autonomy are included. Secondly, we examined the efforts that are put in to actually realize these synergies, where aspects of task and human integration as described by Birkinshaw et al. (2000) have been used as main indicators.

In line with the previous literature by Larsson & Finkelstein (1999), we have been able to identify organizational integration, i.e. *organizational fit*, as one of the most prominent determinants of acquisition performance. By examining tangible organizational features in relation to the post-acquisition process, impeding and facilitating aspects have been mapped out for acquiring firms to consider when integrating a newly acquired subsidiary. Concerning *strategic fit,* we found the most glaring example of discrepancy between the previous literature and the empirical findings as proposed by e.g. Bauer & Matzler (2014). Our belief, however, is that this is due to the chosen case company, depending both on the industry in which it operates as well as the early stage of its internationalization journey. Because of the vague definition of culture that the body of literature on the post-acquisition process provides in this context (Alvesson, 2002), we divided *cultural fit* into organizational and national culture in order to provide more depth of each aspect. Implementing organizational culture into the acquired subsidiaries entails a question of industrial and firm-related conditions, as suggested in the empirical findings. What has become evident however is that the question of timing, meaning when to make these implementing efforts, is of more importance to the integration process. National culture was included in order to fulfil the purpose of examining the phenomenon through a broad perspective as well as to be used as a tool for illustrating the fact that only foreign acquisitions were studied. Apart from some aspects that fall into this category, national culture is overshadowed by the other categories in terms of the effects they have on the post-acquisition performance. However, the distinction between the two types of culture has proven to be important, because of how ambiguous the definition of culture in this context is (Alvesson, 2002; Hofstede, 2010).

In accordance with the existing literature, the *level of integration* has proven to be significant for acquiring companies to determine early in the process (Zaheer et al., 2013). Both over and under integration can seriously impede the integration process and decrease the level of acquisition performance (Pablo, 1994). Moreover, opportunities to create synergies can be squandered if this aspect is not carefully considered by the acquiring firm. The related aspect of autonomy has been used to further assess this aspect. In general, the theoretical framework provides a positive correlation between autonomy and subsidiary performance (Weber, 1996). This relationship could not be found in the empirical data, even though international subsidiaries tend to have a higher level of autonomy than the domestic subsidiaries. Instead, autonomy seems to be related to different aspects of the business context of a subsidiary. In the theoretical framework, *synergy realization* is mostly concerned with avoiding impeding factors, many of which were found as important in the empirical data. Clear examples of *task and human integration* were difficult to identify in the observed case, but where connections could be drawn, it became evident that efforts related to task integration appear as the main road for realizing synergy effects. Consistent themes throughout the analytic process have been the issue of timing, meaning the difficulties that acquiring firms of deciding when to perform integration efforts, and the effect that communication has on the post-acquisition process.

6.1 Theoretical contributions

While earlier researchers on the subject have mostly focused on examining specific aspects in relation to the post-acquisition process (Datta, 1991; Weber et al., 1996; Bauer & Matzler 2014), we have provided a holistic overview of the post-acquisition process, without a disproportionate focus on any individual aspects of the process. By dividing the cultural elements that affect this process into organizational and national features, we have been able to add the dimension of acquisitions taking place cross-border. A further distinction between setting conditions for synergy creation and the realization of these synergy effects have provided a more comprehensible picture of how the road from acquisition to value creation is laid out. One aspect that we have been able to provide a more in-depth picture of is the effect that differences between an acquiring and an acquired company in terms of organizational structure have on the post-acquisition process. Earlier researchers recognized this effect, but have not, to our knowledge, exemplified extensively how these effects can express themselves in actual case studies (Datta, 1991; Puranam & Srikanth, 2007). In this report, it becomes evident that the organizational structure of an organization reflects itself in other organizational elements, which can create further impediments for the integration process of an acquired subsidiary.

6.2 Managerial recommendations

We have provided a holistic framework for understanding the most prominent features of the post-acquisition integration process when making international acquisitions. This framework could therefore be used as a tool for practitioners in the sense of understanding the post-acquisition process and compare the findings of this report to their own situational context, with regards to earlier discussions on transferability. Furthermore, in terms of practical implications of this report, practitioners can draw conclusions and subsequently add resources and time when and where deemed necessary. As discussed, it is important to create proper conditions for synergy creation before beginning with the synergy realization aspect of the post-acquisition process. Practitioners can take inspiration from the theoretical framework of this report to reach the synergy realization stage, i.e. examining the determinants of integration, taking the aspects of level of integration into consideration before finally streamlining operations by sharing resources and transferring capabilities.

6.3 Future research

When conducting this report, our goal was to give insight into the post-acquisition process with a focus on providing more of a holistic view on the matter as earlier research, to our knowledge, has been focused primarily on specific aspects of the process. In doing a wide-covering and holistic overview of the post-acquisition process some degree of depth in certain aspects are bound to be overlooked. This lays the foundation for possibilities of future research, areas in which insights can be added. For instance, as discussed previously, organizational structure has been underwhelming in earlier literature which we believed we have shed light on. This aspect is something that could be further elaborated upon, using our conclusions on the matter as a guideline for future research. Furthermore, the underlying themes of time and communication which we have identified to permeate the post-acquisition process could also be explored further. For example, there is room for future research in the difference and interplay both regarding interdepartmental communication and between HQ and subsidiary. Another aspect of our proposed holistic framework that would be interesting to cover more extensively is that of culture. Using the distinction between organizational and national culture as foundation, researchers could examine the impact that cultural aspects have on integration. With this, hopefully clearer differentiation of what culture entails, future research can be employed in terms of e.g. utilizing quantitative measures to create benchmarks. Lastly, in a similar fashion to which this report was conducted, there is room for future research where focus is on the strategic fit aspect of our framework. This is due to the fact that strategic fit as an aspect was not extensively elaborated upon in our empirical findings. Therefore, conducting a similar study but covering another industry or company type could create future insights into the matter as well as present interesting takes that could otherwise go uncovered.

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Appendix

Appendix 1 - Interview guide for Bilia representatives

- Can you start by shortly describing your professional background and your job description at your company?
    - What is your main role in the acquisition process of a new company?
    - And in the integration process?
- What is, in your view, the main purpose for acquiring new companies?
- What are, in your view, the biggest challenges when acquiring a new company?
- Could you account for the decision-making process when it comes to deciding how the integration process of a new company should be developed?
- What integration processes and systems are in place?
    - Standardized or uniquely developed for each acquisition?
- What is the role of the differences in organizational structure between Bilia and the acquired company in the integration process?
    - (For example, differences in management styles, reward systems and corporate structure).
- To what degree does the acquired company adjust its organizational and strategic features to Bilia, and vice versa?
- What is the preferred way of dealing with the corporate culture at the acquired company?
    - Retaining the current culture or implementing Bilia's culture?
- Concerning the benefits gained from acquiring a new company, how much is known before the acquisition is made?
    - Do you often experience unexpected benefits or synergies sometime after the acquisition?
- To what degree have the acquisitions made by the company been successful?
- Is acquiring new companies a viable expansion strategy for Bilia in the long-term?

Appendix 2 - Interview guide for representatives at the international subsidiaries

- What is your current position in the Bilia organization?
- When was your company acquired by Bilia?
- To what degree do you feel that Bilia has integrated your company into the organization?
    - In your view, which aspects were more integrated and which aspects were left with more autonomy?
- How did you perceive the communication from Bilia's part about what would change after the acquisition?
    - What could be done better in terms of communication?
- In your view, how did the organizational differences between your company and Bilia affect the integration process, in terms of e.g. management style, reward and evaluation systems and overall organizational structure?
- How did the strategic differences affect the integration process, in terms of relatedness of market position, strategic focus etc.?
- Could you speak about the influence of cultural differences when it comes to the integration process?
    - Firstly, differences in organizational culture between your company and Bilia.
    - Secondly, differences in national culture between a Swedish Bilia and your country?
    - Are there any other types of culture that you feel is relevant in the integration process, e.g. occupational culture?
- When it comes to realizing synergies, we have been looking specifically at two aspects: task and human integration.
    - What is your perception of how task integration has been dealt with in the integration process?
    - What is your perception of how human integration has been dealt with in the integration process?
- Concerning the potential synergies from the acquisition, to what degree have they already been fulfilled?
    - If not substantial: what has stood in the way of realizing synergies?
    - If substantial: what has been the most prominent factors of success when it comes to realizing these synergies?

- We talked a little bit about communication before, what are your thoughts regarding the overall level of communication from Bilia since the acquisition?

Appendix 3 - Unpublished sources

Acquisition analysis - Final