

REPORT

of the member of Dissertation Council Svetla Marinova on the dissertation

“The International M&A Deal’s Implementation: A Process Model of Analysis of Russian Multinational Companies”,

submitted for the completion of a scientific degree of

Candidate of Sciences in Economics,

Specialty 08.00.05 – Economics and management of national economy (management)

by Liubov Ermolaeva at Saint-Petersburg State University

1. Relevance of the topic of dissertation research

Cross-border M&As are becoming an increasingly popular way to enter foreign markets for companies from emerging economies. They allow these firms to quickly enter new geographical markets by acquiring new knowledge, products/services, technologies, and managerial and operational practices. Thus, the competitiveness of the company in international markets may depend on the success of the M&A strategy. The literature on M&As, despite the active interest of researchers in this topic, still cannot answer the question of what determines the success of foreign acquisitions and what factors should be taken into account by managers of companies from emerging markets. This dissertation raises this relevant point, thus contributing to theoretical development on this issue.

The importance of the study is also related to the fact that there are different types of competitive advantages of companies from emerging economies that change over the time and with various foreign market entry and operational modes, specifically, during the implementation of an M&A deal. The dynamism of the environment has long been the subject of research by many scholars. Nevertheless, dynamism is considered in absolute terms, but this study speaks of changes in the significance of certain factors relative to what is happening. Thus, companies from emerging economies can use those advantages that will help achieve the goal at a particular point in time, and not use those that may interfere. In the modern context, such an

understanding of the competitive advantages of the company is very important and promising for the preservation and development of its competitiveness.

Russian companies, which have recently made themselves known on the international M&A market, are an important object of study, since, on the one hand, they follow the strategies of companies from other emerging markets, and on the other hand, they are distinguished by special behavior influenced by environmental factors in the home country. Thus, this study is also relevant because it reveals the distinctive features of Russian companies conducting international M&A deals, which is a topic that has been rather scarcely studied in the literature to date.

2. The validity of the main provisions, conclusions and recommendations formulated in the dissertation

The dissertation of Ermolaeva L. A. studies factors influencing the process of implementing international M&A deals by Russian companies. It aims to identify how host country's institutions and firm's competitive advantages relate to different stages of the M&A deal's implementation. The validity of the conclusions of the dissertation research is confirmed by a thorough analysis of the literature, including theoretical and empirical work on the internationalization of emerging market companies. The list of references consists of 337 sources, 326 of which are in English, which confirms the extensive theoretical background of the study. The empirical design of the study is fully consistent with the goals and objectives. The study sample includes 310 international M&As undertaken by Russian companies over a ten-year period. Relevant econometric tools were employed in the empirical analysis. The conclusions of the author are internally consistent, logical, and consistent with the theory and logic of empirical research.

It is also worth noting that the results of the dissertation research were presented at leading international and domestic academic conferences, published in academic peer-reviewed Russian journals included in the VAC list, and in international journals indexed in the Scopus and Web of Science databases.

The text of the dissertation is presented on 181 pages, including an introduction, three chapters, a conclusion, a list of references and appendices. The structure of the dissertation research is logical and contributing to the disclosure of the essence of the dissertation research. The first chapter explores theoretical approaches to the study of cross-border M&A. Special attention is paid to the context of emerging economies and Russia. In the second chapter, the author develops an empirical model of the process of international M&A deal's implementation,

analyzes the factors of the institutional environment of a foreign state, as well as the role of the competitive advantages of MNCs. In the third chapter, an empirical analysis of the cross-border M&A's implementation model is carried out, the results obtained are substantiated from the point of view of theoretical concepts of internationalization. The findings and recommendations are fully consistent with the stated goals and objectives of the study.

3. The novelty of the main provisions and conclusions of the dissertation research

There are several points of scientific novelty in the dissertation. First, the author developed an original approach to defining the process of implementing an M&A deal, identifying three main stages of this process: the stage of choosing a foreign market, the stage of negotiations and the stage of determining the value of a deal. Second, three types of competitive advantages of Russian companies were identified, which include access to natural resources and company experience, company size and membership in a business group, as well as state ownership, which was attributed to the institutional advantages of the company. Third, institutional factors were identified that have different effects on the process of implementing an M&A deal depending on a particular stage.

Thus, a positive correlation between the political stability in a foreign country and the choice of a foreign market was revealed, but a negative correlation between political stability and the likelihood of a deal being concluded after negotiations. In addition, the analysis showed that large companies (in terms of assets), as well as companies from the oil and gas industry, make more expensive deals, but are less likely to bring the pre-acquisition stage to the conclusion of a deal. The specifics of state-owned companies were also identified, as they are more likely to enter into an M&A after the negotiation phase if the acquired company comes from a country of a political ally, while if the company with state ownership makes a transaction in a developed and politically stable market, the likelihood of a deal completion is reduced .

Thus, the theoretical contribution of the dissertation research is to supplement the literature on international M&A deals and explain the multidirectional relationship of factors of the institutional environment and the competitive advantages of the company with different stages of the process of M&A implementing.

4. Specific Areas of Discussion

The author discusses institutional factors, however, it would be interesting to discuss what the role of ownership advantages is in the case of M&As of Russian firms and how these might affect the process of execution of the M&A. This is an important aspect as it refers to the

competitiveness of Russian firms seeking to engage in M&As, the foreign locational advantages and assets they seek and might impact the implementation of the M&A.

Another issue that may be discussed is whether the ownership share in acquisitions, specifically, may be a factor to consider in the implementation process of M&As.

In addition, the negotiating style, the emotional intelligence and cross-cultural issues may play a role.

Overall, the dissertation research "**The international M&A deal's implementation: a process model of analysis of Russian multinational companies**" presented by Liubov A. Ermolaeva for the degree of Candidate of Science in Economics meets the qualification requirements for candidate dissertation on Specialty 08.00.05 – Economics and management of national economy (management).

Signature



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