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Abstract

The aim of this research has been to study the impact of an international acquisition on the research and development (R&D) function of the Finnish target company. This research can be classified as a descriptive-explorative single-case study. The research target was a Finnish pharmaceutical company, which had been acquired by an international company almost eight years before the research point. The acquirer company was active in the same business, where R&D plays a central role. Before the acquisition the target company had been successfully innovative in its R&D work, which had made it an attractive acquisition target, and which was also the reason why R&D was selected to be in interest of this study.

The theoretical framework consists of two separate parts: First the main streams in merger and acquisition research are presented. Three of them, the strategic management theories, including the industrial economics and the resource based view, the organisational behaviour school and the process perspective are considered as the most important theoretical strivings in this research. In the second part some characteristics of the pharmaceutical industry are presented.

The research questions used were the following: How can the post-acquisition integration process be described and what kind of impact it has had on the R&D?; How has the resource allocation and restructuring of the organisation taken place, and how have they affected the R&D in the acquired company?; What kind of roles the knowledge and technology transfer have had, and how have they taken place?; What kind of effects the acquisition has had on R&D personnel and employment?

The collection of the empirical data was conducted by semi-structured interviews with R&D managers of the target company. Based on the previous research findings acquisition's effects were expected to be found at least in three areas: restructuring and integration, resource allocation and personnel. The qualitative analysis of the research data confirmed the expectations: During the post-acquisition period the parent company reformed the R&D organisation's structure and resource allocation and kept on investing. The post-acquisition development was identified to consist of different periods, which varied in terms of functional, physical and socio-cultural integration. The acquisition created voluntary and forced personnel loss, but also improved the career opportunities of pharmaceutical specialists. No signs of large scale technology transfer had been noticed, but the transfer of knowledge and human resources over the company boundaries had become common in the newly reformed global, network-type of R&D organisation, which the target company had become part of. Generally, the acquisition meant internationalisation and shift in the business paradigm.

Key words	Acquisition, M&A, research and development, R&D, impact, internationalisation
Further information	

