MERGERS AND ACQUISITION EFFECTS TO COMPETITIVE ADVANTAGE WITHIN INFORMATION TECHNOLOGY COMPANIES: A CASE STUDY OF DELL EMC CENTRAL, EAST AFRICA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree of Master of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2018
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than United States International University in Nairobi for credit.

Signed: ___________________________     Date: ___________________________

Mburu, Dan Gaiku (647339)

This project report has been presented for examination with my approval as the appointed supervisor

Signed: ___________________________     Date: ___________________________

Newa, Fred

Signed: ___________________________     Date: ___________________________

Dean, Chandaria School of Business
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ABSTRACT

The purpose of this study was to analyze competitive advantage (or lost) gained due to mergers and acquisitions: A Case of Dell EMC Central East Africa (CEA). To achieve this objective, the study was guided by three specific objectives which sought to establish the effects of M&A on product competitive advantage, effect of M&A on supply chain competitive advantage and the effects of M&A on business model competitive advantage.

A descriptive research was adopted to aid in the data collecting from respondents on their perceptions on competitive advantage (or lost) gained due to mergers and acquisitions. Further, a correlational approach was adopted to establish the relationship between the M&A and product competitive, supply chain and business model competitive advantage.

The target population for this study was 40 mid-level managers and 8 top level managers. A structured questionnaire was the tool adopted to gather the required information. The sampling technique was stratified random sampling method. From the initial target population of 48 questionnaires awarded only 35 were filled and returned giving a response rate of 73%. After collection, the data was then analyzed using a computer analytical program with inferential and descriptive statistics to test the hypotheses.

The study revealed that respondents were satisfied with the post-merger product offerings which gave the company more competitive advantage. Majority also agreed that the product offerings existed at various price points although the pre-merger product offerings had the right messaging. A Paired sample t test was done to compare products competitive advantage before and after the merger and pre-merger product competitive advantage. The difference revealed that there is a significant difference between the mean of products competitive advantage before and after the merger.

Focusing on the effects of mergers on supply chain competitive advantage, the results established that they were more satisfied with the facets of the supply chain interacted with in the pre-merger. A Paired sample t test was done to compare supply chain advantage before and after the merger. The difference revealed that there is no significant difference between the mean of supply chain competitive advantage before and after the merger.

The study sought to establish the effects of mergers on business model competitive advantage, by comparing the results before and after the merger. The finding revealed that respondents were satisfied with the business model however the pre-merger was
higher. It was however revealed that the post-merger business model gave the company more competitive advantage and the business model led to limited reach. A Paired sample t test was done to compare business model competitive advantage before and after the merger. The results revealed that there is no significant difference between the mean of business model competitive advantage before and after the merger.

The study concluded that post-merger product offerings has the capability of offering the company more competitive advantage. The product offerings are usually in a wide variety at various price points. The findings also reveal that after the merger, products are widely known. There is a significant difference between a products competitive advantage before and after the merger. Secondly, supply chain after the merger gives the company more competitive advantage as well as add the reach of the partner network and skill set of the Partner network therefore result into increased competitiveness. Lastly, post-merger business model offers institutions with a more competitive advantage as it allows for an effective communication and implementation of the go to market Strategy.

The study recommends that after undergoing an M&A the product offerings needs to be able to satisfy the customers’ needs to ensure the exercise results into gain of competitive advantage. The facets of the supply chain should be stable to ensure products reach the consumers conveniently. This aids the firm in gaining a competitive advantage. Partner network should always be maintained and this will ensure the firm can connect with other partners and therefore share the skill set of the partner network. Lastly, business model used before and after the mergers should be one that ensures the firm enjoys a competitive advantage. The business model also need to be one that is very simple and capable of adaptation to the market needs. They should also be training if need be to ensure that the business model is well understood by partner network.

Further research should be done on other firms that have experiences mergers in the same industry in order to be able to compare the results and therefore generalize the findings. There is also a need for further research to establish the challenges and risks faced before and after the merger.
ACKNOWLEDGMENT

I would like to thank the almighty Lord for seeing me through this chapter in my academics, for the wisdom, financial provision, support and good health. My profound appreciation goes to my best friend, classmate and wife Ann Wamaitha for her undying support and encouragement in my academic endeavors. To my parents and siblings for their prayers and love. My special thanks goes to my supervisor Dr. Fred Newa for impacting the right skills necessary to undertake the project, for guiding me through the entire project, and for always being available for the reviews and guidance.
DEDICATION
To my loving wife Ann Wamaitha, for her unwavering support, encouragement and love as we conquer the world.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Charles Darwin the father of the theory of evolution espoused that all species of organisms arise and develop through the natural selection of small, inherited variations that increase the individual's ability to compete, survive, and reproduce (Darwin, 1998). This theory has an uncanny resemblance to the actual evolution of businesses in the modern world. Companies and organizations that seek to thrive and retain relevance must evolve and adapt to the markets they serve and the environment they reside in. Companies that refuse to evolve find themselves in decline and obsolescence over a period of time (Senior & Swailes, 2010).

The eye opening article by Levitt (1960), titled Marketing Myopia clearly lays out the lack of vision of any firm that forgets that they exist only to meet the consumers’ needs and that the consumers’ needs change and so should the goals of the firm and the technologies employed. Consumer orientation with well employed technology is a sure philosophy and a way to keep a firm afloat and miles away from being obsolete. In his article, he projected that businesses widen marketing myopia since they not succeed to inquire themselves "what is our business?". They recurrently take for granted that they recognize the solutions of such important questions as the idea of the time was that the solutions to such queries were obvious. Levitt (1960) recommended that the solutions to these queries are not apparent and that by discovering them, a business could add up sufficiently grow its business and serves its consumers effectively.

Change is constant in life and so it is in business. With a focus on for profit organizations, evolution is necessary to remain profitable in an ever turbulent environment. Turbulence by definition refers to a phenomenon that is non-linear, erratic and irregular (Drucker, 1994). Turbulence has been witnessed through rapid technological changes, market fragmentation, industry convergence, shorter product life-cycles and tools such as the internet and telecommunication leading to globalization, making the competitive environment more turbulent than ever before (Goldhar, Hitt, & Lei, 1996). Customers, technology and their preferences are consistently changing and businesses must be mindful of these changes and adapt to remain profitable (Simonet & Tett, 2012).
Proactivity and innovation have become the outcome of successful organizations that are under strain of this turbulence. They need to find ways to relate the market landscape and align this to their products, positioning and processes. The goal of such firms goes beyond responding to current landscape but in shaping it to their own advantage (Sompong, Igel, & Helen, 2014). As necessary as evolution is, it needs to be guided, it needs to be shaped to yield competitive advantage, and this has been narrowed down to two components, reduction of business cost structure and differentiation from competitors (Robinson & Pearce, 2009). Of the two components only one can be scaled and has no limitation; differentiation also known as competitive advantage. This exists only when a firm must offer services or goods that are superior to its rivals (Walker, 2015).

Competitive advantage via use of various technologies, in the 21st century, has come in and made things much easier, breaking down walls and removing barriers yet some companies seem to have their head in the sand on matters such as these finding technology as a cost center rather than their competitive crutch (Van-Oudenhoven & DeBoer, 2009). Nonetheless, only the successful companies have managed to put alignment of evolution and customer orientation into actual practice where it counts – at every customer interface, every day (Lammerts, et al., 2001).

A corporation has diverse options to choose from when it comes to growth strategies. Growth is an important aspect for any companies, either individual owned, listed companies or even multinational companies. (Picardo, 2014) On the various option for growth are to grow organically by increasing sales personnel, new product developments and by expanding into new geographical areas. Alternative options such as inorganic growth are external revenue growth which is for example strategic alliances, joint ventures and franchising. Another option is to merge and acquire (M&A) which is an inorganic example of how a company can grow (Gaughan, 2005).

A merger can be defined as two corporations coming together to form one; a new entity void of the existence of the former two. (Boateng & Bjørtuft, 2008). Other authors and scholars view it as an integration of legacy cultures blended from the two original companies (Alistair & Mclean, 2010). An acquisition is the process of taking ownership of a second company, integrating it into the first, to build on strengths or weaknesses of the acquiring company. The targeted end result for both mergers and acquisitions is to
grow the business in a quicker and more profitable manner than normal organic growth would allow (Sheang, Hua, & Tai, 2000). Examples of mergers and acquisitions is Lenovo’s acquisition of IBM brands and HP’s acquisition of the Compaq brand. Majority of the M&A’s in the IT industry favor the acquisitions as the larger companies buy out the smaller growing ones or buy divisions of another company (Riad, Vaara, & Zhang, 2012).

Scholars believe that M&A’s only occur for two reasons, which are explained in the theories; disciplinary merger theory and synergistic merger theory. Disciplinary theory suggests that mergers and acquisitions are used to increase operational efficiency in firms that lack focus on that sector at the detriment of the firm’s performance (Weston, Hoag, & Chung, 2003). Synergistic merger theory espouses that both firms are to gain in operational efficiencies by coming together and jointly leveraging their resources and strengths to improve their joint performance (Weston, Hoag, & Chung, 2003).

Despite seeming very appealing due to the speed of gaining new competencies or enhancing those already there most mergers and acquisitions fail because of poor mechanism for change management. Due to the complex nature of the former existing firm’s culture, leadership structure and resources, integration and change management are challenges faced by all firms undergoing M&A (Meaney & Pung, 2008). Mergers have been observed in waves that begun in the turn of the 20th Century, in the USA. These waves were experienced and observed in the form of horizontal mergers for monopolistic purposes, in the first wave, and vertical mergers for oligopolistic reasons in the manufacturing industry. A third wave took place of which was mostly conglomerate mergers formed for diversification purposes into new industries (Karagiannidis, 2010).

This case study focused on the merger of Dell EMC which took effect on August 2016. A horizontal merger between two competing IT companies, namely, Dell Corporation and EMC Corporation. The general motive behind the merger as put by analysts is Dell formerly a PC only manufacturer, needs to continue transforming itself into an IT services company. A Goldman Sachs’s analyst stated that, “The two businesses are largely complementary. Combining them could yield a company with about $80 billion in annual revenue and free cash flow of about $7.7 billion” (CXOtoday, 2015).
In 1984, the current owner of DELL EMC, Michael Dell founded Dell Computers, to sell custom-made personal system directly to customer. The company itself had seen immense growth, from $6 million to almost $40 billion in 25 years as of 2014. In the PC World manufacturer industry, Dell Computers later branded Dell Inc. is 2nd and as a company ranked #44 in the Fortune 500 as of 2012 (Primack, 2014). The headquartered of Dell Inc. is in Austin, Texas. Dell is a leading provider of product and services for customer. The main strategy of Dell was to focus on deliver the best possible customer computing product and service. The revenue of company (pre-merger) in last four quarters totaled $55.43 billion and about 96,000 employees work in solution like technical support and corporate data center. As per press briefings, it was said that by fiscal 2014 the company enterprise business might be reach $30 billion (Dell, 2017).

EMC has been one of the best-kept secrets of technology. Even in the years 1990, when it was the second most powerful title on Wall Street, just behind Dell, it remained relatively unknown (Smith, 2017). Yet it has had a profound impact on the computer industry for some time by concentrating its efforts exclusively on the development and sale of data storage and data management hardware and software and by persuading its Customers to buy their products (Smith, 2017). EMC was founded in August 1979 in Massachusetts and went through three distinct eras: The Dick Egan and Roger Marino era when it successfully developed and sold computer memory systems; the Moshe Yanai and Mike Ruettgers era, when it developed (Yanai) and sold (Ruettgers) high-end, disk-based computer storage systems (hardware and software); and the Joe Tucci era, continuing EMC’s tradition of focused execution and sales excellence, while relying mostly on a long string of acquisitions for innovation and diversification (Press, 2016).

EMC over the years had a profound impact on the IT industry, for a while making enterprise data big with its exclusive focus on developing and selling data storage and data management hardware and software and convincing its customers to buy its products independent of their other IT buying decisions (Smith, 2017). In doing so, it has joined a handful of other “best-of-breed” vendors driving the restructuring during the 1990s of an IT industry previously dominated by a few vertically integrated, “one-stop-shopping” vendors (Press, 2016).
At the turn of the century, computing improved and data exponentially grew started, and shaping the world, leading to the rise of digital natives (especially Google, Amazon and Facebook) which led to a shift in the nature of IT buying decisions and the type of IT buyers, which in turn led to a restructuring of the IT industry (Govindarajan, 2018). In response to these changes, EMC agreed to be acquired by Dell in the largest-ever tech merger.

1.2 Statement of the Problem

Without M&A, Joint Ventures, Alliances in a globalized world, it has become exceedingly difficult for companies to gain competitive advantage. To remain competitive firms must use one or several of these options in order to succeed (Brannen & Peterson, 2009). Recent corporate history is littered with examples of Goliaths that were felled by nimble, more flexible David(s) who hammered a gap in the market where no gap existed. In order to remain agile and responsive to market needs, Dell EMC had to merge. The new company, Dell EMC has been running a campaign know as Dell + EMC = Better Together, which intrinsically attempts to enlighten all stakeholders that Dell EMC has gained new competitive advantage (Pavone, 2016). The effects though have not been studied and furthermore, there’s little visibility into how mergers and acquisitions affects stakeholders in developing countries.

Scholarly works such as Singla, Sain & Sharma (2012), a performance evaluation of acquired Indian IT companies by Western corporations and Diwan Njoki (2015) who elaborated on Competitive Advantage gained due to M&A’s in BRITAM; Effects of change management on M&A’s in L’Oreal. While the above studies compare well with the current study, there is still a knowledge gap in the IT industry, in that there is limited literature in and on the effects of M&A’s. Moreover, the effects of large multinational M&A’s as affecting or effected in developing markets is also scantily found.

This study therefore aims to examine the effects of a merger and acquisition to a company, whose primary business is the provision of technology and in this case in developing countries. With firms on the lookout for the newest means to combat high volatility environments, they need to seek competitive advantage for sustainable profitability. This knowledge gap presents an opportunity for research, which this paper aims to study.
1.3 Purpose of the Study

The purpose of this study was to analyze competitive advantage (or lost) gained due to mergers and acquisitions: A Case of Dell EMC Central East Africa (CEA).

1.4 Research Questions

The study was guided by the following research questions:

1.4.1 What is the effects of M&A on Product Competitive Advantage

1.4.2 What is the effect of M&A on Supply Chain Competitive Advantage

1.4.3 What is the effects of M&A on Business Model Competitive Advantage

1.5 Importance of the Study

The study sought to uncover the benefits Dell EMC CEA has drawn from mergers and acquisition. This information will be useful to the following stakeholder groups;

1.5.1 DELL EMC and MEA Management

The material acquired from this study will help DELL EMC to advance knowledge of the benefits that the company has gained, especially in developing countries, from this merger and acquisition. The company will be well informed when entering into such acquisitions in the future.

1.5.2 Strategists

Strategists will be able to appreciate how DELL EMC has constantly persisted ahead in the market and appreciate the benefits firms can accrue from strategic alliances. Using this information, they can be able to replicate the same in their organizations.

1.5.3 Regulators

The study will be useful to the government regulators namely the Central Bank of Kenya (CBK) and the Kenya Revenue Authority (KRA). It will help them in understanding multinational mergers and acquisitions especially when they are building industry policy resolutions.
1.5.4 Academicians and Researchers

The research will contribute to the body of knowledge to academicians and researchers who would want to further their studies in understanding the competitive advantage arising from mergers and acquisitions.

1.6 Scope of the Study

The research was limited to the organization of study which is DELL EMC Central East Africa and the subject of study limited to the employees located at the Nairobi, Kenya and Lagos, Nigeria. The research was carried out in the month of February 2018. There was lack of responsiveness from the targeted respondents which had been foreseen as constraint. This constraint was overcome by providing a pledge to the respondents that there shall be confidentiality on the feedback they provide and same time anonymity. The researcher provided a letter of introduction so as to firm up the legitimacy of the study.

1.7 Definition of Terms

1.7.1 Acquisition

An acquisition is the process of acquiring a company to build on strengths or weaknesses of the acquiring company (Ansoff, 2007).

1.7.2 Mergers

A merger is an absorption of one company by another, with the corporation being absorbed losing its separate identity and governance (Wittmann, Hunt, & Arnett, 2009).

1.7.3 Organic Growth

According to Ansoff (2007) organic growth is the process of business expansion by increased output, customer base expansion, or new product development, as opposed to mergers and acquisitions, which is inorganic growth.

1.7.4 Competitive Advantage

According to Porter (1985), competitive advantage occurs when a company is able either to operate at a lower cost or price its products at a premium or both resulting in superior performance.
1.8 Chapter Summary

This chapter has covered an overview of the research by covering background of the study which explains on why firms go into acquisitions and mergers and the benefits that they stem from such strategies. The problem statement has been recognized as deficiency of adequate knowledge pool on mergers and acquisition in Central East African market. The drive of the study is to launch the benefits that arise from mergers and acquisitions which is established through three objectives namely; to determine the benefits of strategic alliances, the challenges that firms face and to strategies employed to sustain strategic alliances.

The research is anticipated to be of value to the management of DELL EMC, industry regulators and researchers. Chapter two will cover literature review with regards to the specific objectives. The third chapter will cover the research methodology. Chapter four presents results and findings while chapter five will present summary of findings as well as discussion and conclusions.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This section evaluates the various views and perspectives of different scholars by the three specific objectives that are introduced in chapter one. The literature review comprises of the research objectives. We begin with a theoretical introduction to the independent variables, Mergers and Acquisitions, and then move on to describe each of the dependent variables as posed in the research questions. We also look at the critique raised from each perspective and their limitations. Finally, we present our conclusion to the research questions, and this forms the first part of our theoretical framework which is applied in later chapters of the study. At the end of this section, a chapter summary will be provided.

2.2 Effect of M&A on Product Competitive Advantage

2.2.1 Mergers & Acquisitions
Global changes in technology, communication, transportation, the scope of the market, forms and intensity of competition have led to the increase in Mergers & acquisitions. They are used as a faster means of acquiring skills and strength that was lacking in the organization initially (Gupta, 2010). The term, Mergers and Acquisitions is used in a manner that leads to a lack of differentiation between each word. We can find distinction in the works of (Melanie, Minna, & Tuija, 2011; Sherman & Milledge, 2006). A Merger is a transaction when two companies decide to combine their assets & operations. As a result of a merger transaction, two individual companies cease to exist and a new combined company is created (Sherman & Milledge, 2006).

An Acquisition, on the other hand, is when a company purchases a sufficient amount of an established company to provide control over the acquired company (Melanie, Minna, & Tuija, 2011). One may also consider an acquisition as a transaction where one company takeovers the operation of another company. The company, which is acquired, is called “Target Company” and the company, which acquires the other company, is called the “Acquirer.” The target company is, therefore, become a part of the acquirer (Sherman & Milledge, 2006).
Melanie et al. (2011) classified M&A as one of the strategic options in planning new business creation with the remaining two being organic investments and Research and development investment. Ma & Pagán (2009) breaks it down even further viewing M&A deals like those that the controlling interest amount to 50% of voting shares plus one in the newly formed business. Ma et al. (2009) also define controlling interest as the case where a shareholder (or a group of shareholders) holds a sufficient number of voting shares so that no coalition of shareholders can thwart a motion. In a practical aspect, a controlling interest is much less than that because it is hardly that 100% of shareholders will be in elections when shareholding is dispersed.

Moeller et al. (2004) define Mergers and Acquisitions as a transaction in which two individual business entities are having separate ownership combine and operate as one entity after the deal. Because of that, M&A’s in this thesis will be used interchangeably as indicating all transactions in which the businesses of any two companies will be combined through the purchase the majority of shares or a merged activity. The history of mergers and acquisitions started in the United States and can be traced back to the 19th century and this has evolved in different dimensions. According to Zabiholla (2011), technology, pharmaceutical, financial services and energy resources industries are predicted to experience an increasing level of M&A at the beginning of 21st century.

Africa is however not an exception to the wave of M&A activities due to activities by local and global companies. In recent years, mergers and acquisitions (M&A) activities have become a vital investment channel in Africa for global and regional market players. The mergers and acquisitions agreements have enabled companies to consolidate their positions in African markets, thereby helping to improve market access and competitiveness. (AfDB, 2012). The African Market remains to be a small fraction of the global market, with North and South Africa having the highest economic activities. Despite the facts above, the rate of M&A’s in Africa remains steady and resilient because the attractiveness of the African continent for M&A deals is mainly underpinned by the high economic growth and the vibrant energy, mining and utility sectors (AfDB, 2012).
2.2.1.1 Horizontal Mergers and Acquisition

The Federal Trade Commission classified, Mergers and Acquisitions into three main categories: Horizontal, Vertical, and Conglomerate (Gaughan, 2005). Below is a brief explication of the kinds of M&A’s possible, though this thesis shall only dig deeper in Horizontal M&A’s due to the nature of the case study being undertaken. (McCune, 2011).

Horizontal Mergers and Acquisitions are a merger usually between two companies in the same business sector. Thus these two companies are in direct competition and share the same product lines and markets. BPP Publishing (2012), stressed that this type of M&A occurs between company that were formerly competitors and who manufacture products that are considered substitutes by their buyers with the aim of achieving horizontal integration. (Brealey, Myers, Allen, & Mohanty, 2007). These mergers can also be called Strategic Mergers and Acquisition. A strategic acquisition is one in which the acquiring company can gain operating synergies, which means that the two companies are more profitable combined than separate within operating areas (Grinblatt & Titman, 2006). It is important to be aware that not all strategic mergers are legal and therefore some have been blocked by antitrust regulators (Brealey, Myers, Allen, & Mohanty, 2007).

In this case, synergy can be obtained through many forms including such as; increased market share, cost savings and exploring new market opportunities. According to UNCTAD (2006) Horizontal M&A’s are approximately 80 percent of the total M&A’s transactions. An example of horizontal M&A was the business combination of two pharmaceutical companies- Pfizer acquired Lipitor, both firms are in the pharmaceutical industry, and this helped Pfizer to sustain the first position of pharmaceutical company in the world (Onashile, 2016).

2.2.2 Product Competitiveness leading to Competitive Advantage

In this section, we shall be outlining Product differentiation and the resultant competitive advantage, and we shall begin by descriptively breaking down the term product differentiation.
The product is the central element of a technology company’s compensation logic. The product, computer hardware, and software, as well as the associated services form an offer to a company, an individual, or a trader. The concept of "product" can be defined in various ways. Doyle (1998) defines a product as "everything a company can offer to satisfy customers' needs or desires." It may be a physical object such as a soft drink or print paper, but it can also be an intangible service such as technical advice or just-in-time delivery. The critical point is that the products are not purchased for themselves but to satisfy a need or need. The product offer may, for example, contain the entire service product including the technical service, product training, payment terms, promotion, and distribution, in addition to the physical attributes of the product.

According to Kotler (1998), a product is "anything that can be offered to a market to attract attention, acquisition, use or consumption, which could satisfy a need or need." The product is the first and most crucial element of the marketing mix. Kotler (1998) identifies two levels in a product, which it names the base product and the increased product. The primary product refers to the minimum benefit provided to meet the basic needs of the buyer. He answers the question: What does a buyer really buy? These qualities of products or services usually are considered as acquired and are also the easiest to copy for competitors. The expanded product provides a range of basic ancillary services that are not associated with the base product (Haarla, 2003). These include guarantees, credits, purchasing conditions, customer service, installation, training, advice, and delivery. These distinguish the offer of the enterprise from competing offers.

Porter argues that companies and their products must be competitive to become an industry leader (Murdoch, 1999), succeed nationally and internationally (Suutari, 1999). This benefit applies to all industries in most countries (Median & Chin, 1995). While various types of organizational strategies have been identified over the years, generic strategies remain the most commonly supported and identified in key strategic management manuals (David, 2000) and in the literature (Miller & Dess, 1993).

The competitiveness of the product can be achieved through differentiation. When using this strategy, an enterprise focuses its efforts on providing a single product or service (Cross, 1999). Since then, the product or service is unique; this strategy promotes customer loyalty (Cross, 1999). The differentiation strategy is implemented effectively
when the enterprise provides a single or higher value to the customer through product quality, functionality, or after-sales service. Companies that follow a differentiation strategy can charge a higher price for their products depending on the characteristics of the product, the delivery system, the quality of the service or the distribution channels. (Nobel, 2013) The quality can be real or perceived depending on the fashion, the brand or the image. The differentiation strategy is aimed at an informed or informed consumer, interested in a single product or quality and willing to pay a higher price (Miller & Dess, 1993).

Cost leadership is also a method by which product competitiveness can be achieved (Malburg, 2000). This strategy aims to achieve a competitive advantage by having the lowest costs in the industry (Davidson, 2001). In order to obtain a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and a labour force involved in the low-cost strategy. The organization must be prepared to terminate all activities for which it does not have a cost advantage and consider subcontracting activities to other organizations with financial advantage (Malburg, 2000). For an effective cost leadership strategy, a company must have a significant market share (Hyatt, 2001). Mass production, mass distribution, economies of scale, technology, product design, input costs, resource utilization and access to raw materials are cost factors (Malburg, 2000).

In the concentration strategy, a company targets a specific segment of the market for product competitiveness (Porter, 1985). The company can choose to focus on a group of customers, a range of products, a geographic area or a range of services selected (Hyatt, 2001). For example, some European companies only focus on the European market (Stone, 1995). The emphasis is also placed on the adoption of a narrow competitive field of application within an industry. It aims to increase its market share by operating in a niche market or in markets that are not attractive or neglected by large competitors. These niches are a result of a number of factors, including geography, buyer characteristics and product specifications or requirements (Porter, 1985).

A combination of different strategies can be used. An organization can also choose a combination policy by mixing generic policies. For example, a company may choose to have a targeted differentiation strategy. This means that the organization has a unique
product offered to a targeted market segment. An organization can also choose to have a targeted cost management strategy. In this case, an organization would use a targeted cost leadership strategy on a specific market segment. There is a lot of debate about whether or not a business can have a low-cost differentiation and leadership strategy at the same time (Helms, Clay, & Peter, 1997). Porter considered that differentiation and cost control were mutually exclusive (Porter, 1985).

2.2.3 Mergers and Acquisitions effects on Product Competitive Advantage

A merger or acquisition can have a significant effect on the competitiveness of a company's products, its prospects for growth and its long-term prospects. But if an acquisition can transform the acquiring company overnight, there is a significant degree of risk, as mergers and acquisitions transactions are overall estimated at only 50% chance of success. In the sections below, we will provide empirical studies that explore the effects of mergers and acquisitions on mergers and acquisitions on product competitiveness (Investopedia, 2017).

Studies show that many companies use M&A to develop their product offerings and surpass their competitors. If it takes years or decades to double the size of a business through organic growth, it can be done much more quickly through mergers or acquisitions. They also show that companies can use the above strategy to achieve the dominance of the sector. Studies also show that integration is a major risk for products resulting from M&A. In many cases, the integration of the activities of two companies is proving to be a much more difficult task in practice than it seemed in theory. This could result in a company's inability to achieve the desired objectives in terms of cost savings resulting from synergies and economies of scale. A potentially accretive transaction could be dilutive (Picardo, 2014).

Sheen (2013) states that, on average, research has shown that merging is a good thing in that profits and stock prices go up. It also notes that mergers have a positive effect on the competitiveness of products over time, because of the downward trend in product prices, which leads to lower prices compared to the competition. On average, it takes two to three years for product convergences and price decreases to take effect (Nobel, 2013). Quality after fusion does not lead or does not affect the competitiveness of the product.
After the merger, brand consolidation occurs, companies are most likely to prune brands if the market is crowded with similar products (Sheen, 2013). This leads to pre-existing product lines that start acting like an old married couple; They are gradually approaching each other regarding characteristics and relative reliability, at least in cases where both companies manufacture the same type of product (Nobel, 2013). For example, "if one brand of vacuum cleaner had a retractable cord and the other, eventually, after the merger, they would both have retractable cords," explains Sheen. The reviews conducted over the years indicated that the overall quality of the products remained constant after the merger. Although the products become more similar, they do not increase or decrease constantly regarding quality (Sheen, 2013).

In his study, Cassiman (2006) found that the impact of mergers and acquisitions on research and product development plus innovation depends on the technological similarities between the companies involved in a given merger or acquisition and similarities between the markets in which they operate. Companies operating in complementary technology sectors have a higher likelihood of achieving long-term synergies and savings in their R&D as a direct result of their merger. The future competitiveness of products is established by the competence developed in new technological fields, the achievement of a critical mass in new technological fields and a deeper commitment to reuse of technological resources (Wharton School, 2006).

To make their products more competitive firms merge, and this as well results in growth. Mergers give the acquiring company the opportunity to gain market share without having to earn it by doing the job itself-instead, they buy a competitor's business at a price. A great example of this is HP and 3PAR Inc. Both companies in September, 2010, announced that they have entered into a definitive agreement under which HP purchased 3PAR (HP, 2010). Combining 3PAR’s leading-edge utility storage products with HP’s existing storage solutions strengthened HP’s unparalleled storage, server and networking portfolio. 3PAR accelerated HP’s highly successful converged infrastructure strategy by driving growth in the fast-growing virtual data center and cloud computing markets (HPE, 2016).

Disney and Pixar is an example that product quality can go up post-merger. The merger, which occurred in 2006, not only allowed both to collaborate, but also helped to breathe
new air into other Disney divisions. First Tangled and more recently frozen have attracted a lot of attention to the box office and beyond, with Frozen becoming the fifth biggest operating film globally! (Ruesink, 2015).

2.3 Effect of M&A on Supply Chain Competitive Advantage

2.3.1 Supply Chain Competitive Advantage

The improvement of flexibility and speed of reaction has become increasingly important to obtain a competitive advantage (Upton, 1997). Responsiveness to the customer is essential to gain a competitive advantage (Martin & Grbac, 2003). Ellinger (2000) argues that competitive advantage lies with businesses that meet the needs of customers. Lummus et al. (2003) argue that in the future, while supply chains compete with other supply chains, organizations need to understand that reactive supply chains will surpass those that are less receptive. The creation of reactive supply chains has become a source of competitive advantage (Lau & Hurley, 2001).

Firms with more responsive supply chains will better adapt to fluctuations in demand and manage this uncertainty at a lower cost due to the shorter turnaround time (Martin & Grbac, 2003). Yusuf et al. (1999) argue that lean manufacturing compromises responsiveness to cost-effectiveness, but agile manufacturers give as much importance to cost as to responsiveness. Cost and quality have long been integrated into agile, competitive bases (Yusuf et al., 1999). Gunasekaran and Yusuf (2002) point out that reactivity without cost-effectiveness is not a real competitive strategy. However, Yusuf et al. (1999) found that costs and responsiveness do not go hand-in-hand. However, because of the opposing arguments, we maintain here that, on the whole, the responsiveness of the supply chain and the competitive advantage are linked positively. Yusuf et al. (1999) found a strong correlation between responsiveness and time-to-market, reliability, product innovation and quality.

Towill (1996) suggests that efficient engineering of cycle time reduction will lead to significant improvements in manufacturing costs and productivity. Towill (1996) further argues that the reduction of delivery times is the necessary condition for a reactive supply chain and which also reduces the marketing time. Sharifi and Zhang (2001) stresses that responsiveness in the supply chain is a source of competitive advantage. A study carried
out in 1997 Allnoch (1997) from 225 manufacturers revealed that the average companies needed much more time to respond to the changes in customer demand compared to the major manufacturers. In some cases, it took up to eight times more time. The study also found that while the larger manufacturers needed two weeks to meet the increased production requirements per customer demand, medium businesses required four weeks to four months. The result? These leading companies have outperformed their peers and achieved enormous cost savings and other competitive advantages. We are therefore proposing that the responsiveness of the supply chain reduce costs while creating a competitive advantage for businesses on other dimensions.

Operational responsiveness will enable companies to compete by costs, quality, time to market and reliability of delivery. The reactivity of a company's logistical process (transport and distribution) will allow companies to introduce new products faster than their main competitors (thus increasing the time to market) and improve the ability of a company to provide timely the type and volume of product required by customers. (i.e., increase the reliability of delivery). The responsiveness of a company's network of suppliers will improve the company's ability to rapidly introduce new products and features to the market (competitiveness based on product innovation and marketing) and Improve delivery times (i.e., increase its delivery reliability) as these companies will have reactive suppliers. A supply chain characterized by rapid responsiveness to customers will be competitive regarding time and quality (Li, 2002).

An effective SCM produces a competitive advantage for an enterprise in that it reduces costs (Martin & Grbac, 2003). It was found that GCA's practices were linked positively to the competitive advantage (price, quality, reliability of delivery, product innovation and time to market) in previous documentation (Li, Ragu-Nathan, Rao, & Subba, 2006). It was pointed out that the practice of supply chain management has become an essential requirement to remain competitive and to grow economically in the current world race (Allnoch, 1997).

Larson and Kulchitsky (1998), in an empirical study, discovered that the development of strategic partnerships with suppliers also led to the profitability of the core business. Christopher (1992) argues that the higher the collaboration between the supplier and the customer, the greater the likelihood that the organizations can achieve a competitive advantage. The extensive coordination with suppliers and their involvement in the
process of developing new products enhances the ability of firms to develop new high-performance products and thus gain a competitive advantage over the Market. Ragatz et al. (2002) have found that integrating suppliers can reduce the costs and quality of materials, the time and cost of product development and manufacturing costs while improving functionality. The benefits of supplier participation in the development of new products include reducing project costs Kessler (2000) and Clark (1989) and improving the perceived quality of the product (McGinnis & Vallorpa, 1999). A long-term relationship with the supplier will have a lasting effect on the competitiveness of the entire supply chain (Larson & Kulchitsky, 1998).

Sharing information (and data) with other parts of the supply chain can be used as a source of competitive advantage (Jones, 1999). Moreover, Tompkins and Ang (1999) consider the effective use of relevant, timely and accurate information by members of the supply chain as a critical factor in competition. Sharing information with vendors has allowed Dell Corp. To benefit from shorter cycle time (involving faster marketing), reduced stock (involving cost reduction), and better forecasting. For their part, customers benefited from a better quality product at a lower price (Magretta, 1998).

Dell’s (pre-merger) initial strategy for Supply chain competitive advantage was to integrate its direct distribution channel with the new retail distribution. Dell’s approach can be called a push-pull strategy (Smith, 2017). The company offered several options to customers, business-controlled opportunities but allowing customers to choose a personalized product. The customer's choice then attracts the computer manufacturer's request by dictating the necessary parts, components, and consumables in its supply chain and assembly line. The customer makes a decision, and this decision then determines the drawn inventory through the supply chain (Chaudhary, 2015). The Dell value chain was a string that brought value from the vendor to the customer and provides Dell with a competitive edge. Dell was collaborating with more than 165 000 incoming logistics distribution partners each year. The company used the Just-in-Time (JIT) philosophy in the processing of input logistics, so Dell could save on the substantial inventory costs and maintain cost control for the majority of its products and services (Chaudhary, 2015).

EMC's pre-merger supply chain journey started on a steep slope when it suffered its first annual loss in 1988 (7.8 million USD) when its first disk-based storage product for the IBM mainframe market failed several Times. It took 18 months (and another 18.5 million
loss in 1989) before the problem was attributed to disk drives shipped to EMC with face powder particles (the assemblers were not properly trained) (Press, 2016). In response, EMC implemented quality and continuous improvement programs at the enterprise level and became ISO certified. Since then, EMC's supply chain has focused on quality and not quantity, charging a high price for resilient and innovative technology (Press, 2016).

2.3.2 Mergers and Acquisitions effect on Supply Chain Competitive Advantage
Each merger has significant consequences within supply chains, and the severity of these consequences can profoundly affect success rates. Mergers and Acquisitions is one of the most popular expansion strategies in the business world. Like many other strategies, mergers and acquisitions have their fair share of success and failures (Kogut, 1988).

The Wall Street Journal contributor, Foster Finley, noted that any company that has a strong focus on manufacturing or distribution should pay particular attention to the effects of its merger on its supply chain. Finley, who works as general manager of AlixPartners' "Enterprise improvement" practice, emphasized that supply chains have an impact on all facets of a company's overall performance. As such, mergers and acquisitions must report on supply chains in a very direct and targeted manner (Finley, 2015).

The synergy of the supply chain (for example, in terms of the management and/or distribution of stocks) that merging firms can extract is a particularly important factor in determining the success or eventual failure of a Merger-acquisition (Zhu, 2012). Transactions such as Intel Corp. for 16.6 billion of Altera Corp., 17.2 billion of Pfizer Inc. for Hospira Inc. and the merger of 44.5 billion of HJ Heinz Co. With Kraft Foods Group all carry important competitive supply-chain considerations. For example, the acquisition of Adams by Banbury in 2002 was very successful in this regard, with the merger exceeding 14% of the original performance estimates (Herd, Steger, & Saksena, 2008). On the other hand, after the acquisition of Snappe by Quaker Oats in 1994, it was not able to consolidate the two operational systems effectively, resulting in a significant loss for Quaker (Chopra & Meindl, 2010).

The above examples are not isolated incidents. A number of surveys clearly demonstrate that mergers and acquisitions have a significant positive impact on operations, particularly inventory management (Saraan & Srai, 2008). It is not surprising that supply
chain management has a significant effect on the success of mergers since a typical company owns about 30% of its current assets and perhaps up to 90% of its operating capital in the Supply Chain (Stevenson and Hojati 2004). More importantly, according to practitioners, inventory-related supply chain functions account for 30 to 50% of the savings generated by a successful M&A (Herd et al., 2008).

Finley offered a handful of suggestions as to what needs to be identified and addressed in order to successfully integrate supply chain management into your overall merger plan (Finley, 2015). To begin with, a company should spend a lot of time reviewing and working to understand the intricacies of all the new supply chain structures that were born as a result of the merger. Leaders should also assess whether there are points in the supply chain that are duplicated. This allows the elimination of repeated distributors (Li, Ragu-Nathan, Ragu-Nathan, Rao, & Subba, 2006). More importantly, Finley advised all amalgamated companies to ensure that employees are assigned to the implementation of the supply chain plan. This will allow for a transparent and relatively fast transition (Strategic Sourceror, 2015).

The management of the supply chain of the merger does not stop there. There should be a series of follow-up evaluations to ensure that the system works well and effectively. According to Dr. Harpal Singh, in an article for Supply Chain Quarterly, post-merger supply chain assessments should focus on three major aspects: integration, optimization and acceptance. The three positions are designed to ensure that supply chain systems exist at all levels, are in their best light and are widely accepted by the company's supply chain policy (Harpal, 2009).

2.4 Effect of M&A on Business Model Competitive Advantage

2.4.1 Business Model Competitive Advantage

All authors writing in the field of literature on business models deem it necessary for the company to have a business model or claim that even if managers cannot express it in words, all companies have a Business model.

But what kind of business model should the company adopt? What type of business model leads to success, or in the terminology of this thesis: What kind of business model leads to a sustainable competitive advantage? (Linder & Cantrell, 2000). Several authors,
although far from each contributor on the ground, explicitly address this topic—but from different perspectives. We will set out below these perspectives and allow ourselves to deal with them under the general term 'success,' although we cannot say whether this abstraction is necessarily faithful to the intentions of all the authors.

"How do Companies succeed?", asked Linder & Cantrell (2000) and replied: They choose an effective business model and perform it superbly. And then they renew it when the competitors threaten the distinctive character. According to the authors, there is no guarantee of financial success. However, there are three characteristics of a successful business model: it offers unique value, it is difficult to imitate, and it is rooted in reality? (Linder & Cantrell, 2000). Walters (2004) also mentions specific attributes of the business model that the company should focus on. These five characteristics are Cash flow, ROI, distributed assets (low capital intensity), primary assets and distinctive capabilities, and firm position in the industry value chain.

Other authors define specific and generic business models and discuss the most successful model. Zott & Amit (2007) noted that the economic model of "novelty-oriented," whereby the business model of a company creates a new market or innovates transactions in existing markets, has an impact on the performance of businesses. In a subsequent article, they associate this specific economic model with the product market strategy and argue that the economic model focused on novelty combined with differentiation, cost control or early entry into the market Improves business performance (Zott & Amit, 2007).

Schweizer (2005) draws two conclusions on the three most successful economic models. The first is the Layer Player model, in which a company specializes in a crucial and value-added step in the value chain of an industry, and the Market Maker model, in which firms use informational benefits for creating a new layer set in the value chain, can be profitable for some companies in a specific industry. However, the models also have enormous risks if competitors catch up because they are based on a technology of skill enhancement combined with legal protection or tacit/implicit knowledge, which Indeed function as solid appropriation regimes. Therefore, as a second conclusion, the model called Orchestrator model, in which a company focuses on one or a few steps in the value
chain while outsourcing and coordinating others, may have the best long-term potential Term and the greatest likelihood of becoming a dominant business model design.

Open business models in which companies actively seek, acquire and exploit external ideas and enable other companies to take advantage of unused internal technology to allow an organization to create better and Capture Value (Chesbrough, 2007). It fashions a complete business model Framework (BMF), which will enable you to sequence possible business models, from basic and invaluable models to advanced and very valuable models. The most significant achievement is a Level 5 and 6 model, where the company integrates its innovation process with the business model and where the leading suppliers and customers are business partners with which the company can share the risks technical and commercial. However, even if companies reach these levels where the business model is likely to be very profitable and difficult to imitate, no economic model lasts forever, according to the author (Chesbrough, 2007).

Remodeling a business model can be characterized as a learning process and facilitates mapping, which can contribute significantly to success (Chesbrough, 2007). According to Mitchell and Coles (2003), this process of pursuing innovation in business models is also a way to upgrade competition. According to the authors, the most successful companies often bring fundamental improvements to their business models, and the most efficient companies change models every two or four years. These companies regularly combine effective and continuous strategies with business model innovations.

Linder & Cantrell (2000) also propose that companies control the ability to change. They argue that for businesses to thrive, it is essential to experiment with new business models (Linder & Cantrell, 2000). The best way to do this is to go through the organizational mindset rather than change the organizational structure, and this "mindset," according to the authors, is equivalent to the business model of the company. Companies that learn to manage and integrate different mindsets instead of different organizational blocks can reap enormous benefits as they avoid the trauma that can be caused by repeated structural changes.

Davenport et al. (2006) argue that for businesses to be competitive, they must continuously create and destroy their business models. This means the authors explain
that companies have to manage a portfolio of multiple business models to avoid fixation on the existing business model. Also, companies should be able to "unlearn" past successes and strategic mindsets to prevent historical dependence. It is this process of systematic reinvention that companies should aim for (Davenport et al., 2006).

Morris et al. (2005) distinguish between generic and unique elements, all of which are involved in the real economic model. The authors divided the business model into three levels and the first level, which is dubbed the primary level, contains the essence of the business model and is generic. The next level, the exclusive level, is where the application of unique approaches to the fundamental components creates a lasting advantage. The level of ownership is specific to the strategy, the authors say. The last level, the level of the rules, is also closely linked to the success of the business model because that is where certain guidelines are ensured. Systematic adherence to these fundamental principles can distinguish companies with similar business models (Morris et al., 2005).

Other authors argue that what constitutes a successful business model depends on the situation. The choice of an appropriate economic model is based on the context and business-specific factors according to Mahadevan (2000). The business model is a contingency model with an optimal operating mode for a specific situation in a particular market, say Mansfield and Fourie (2004). Kraemer et al. (2000) are studying the case of Dell and suggest that this is an illustration of how a business model can have inherent advantages in particular market conditions. Also arguing that it is the context that gives meaning to the business model (Chaharbaghi et al. 2003). They propose that a change of context requires a change of economic model. Companies can increase the possibility of "surviving and thriving" by creating their own formulas for success. The most effective tool to do this is not the business model itself, but by working with a meta-model and acknowledging the relationship between the meta level and the micro level (Chesbrough, 2007).

2.4.2 Empirical Studies M&A’s effect on Business Model Competitive Advantage

There is no magic formula for successful M&A’s. Like any other business process, they are not intrinsically good or bad, just as marketing and R&D are not. Each transaction must have its own strategic logic. Purchasers in the most successful transactions have
specific ideas for creating well-articulated value. For less successful transactions, the strategic reasons-such as pursuing the international scale, filling the gaps in the portfolio or building a third part of the portfolio-tend to be vague (Goedhart, Koller, & Wessels, 2017).

The empirical analysis of specific competitive advantage acquisition strategies offers limited vision, largely because of the wide variety of types and sizes of acquisitions and the objective absence of classification by Strategy (Goedhart, Koller, & Wessels, 2017). What's more, the announced strategy may not even be the real one: companies generally talk about all kinds of strategic benefits from acquisitions that are entirely cost-cutting. In the absence of empirical research, our suggestions for value-creating strategies reflect our acquisitions with companies (Smith, 2017).

Goedhart states that the strategic rationale for a value-creating acquisition is generally consistent with at least one of the following six archetypes: improving the performance of the target company, eliminating excess capacity of an industry, market access for products, acquiring skills or technologies more quickly or at lower cost than could be built internally, leveraging enterprise-specific scalability, selecting winners quickly and helping them to develop their activities (Goedhart, Koller, & Wessels, 2017).

The news that Dell acquired EMC is déjà vu all over again in the tech industry. Twenty years ago, IBM purchased Lotus and Compaq bought Digital Equipment Corporation (DEC). These two stories turned out differently-the first was a success, the second a failure. As history repeats, what lessons should we remember from the last agreement? (Gomes-Casseres, 2015). The years 1990 saw a wave of fusion similar to todays. The result of these waves is always the same-the assets of the companies are remixed. Increasingly, the competitive advantage arises from the way corporations combine and recombine resources-theirs and those of their merger and alliance partners. Sometimes, however, this remixing takes a complicated path (Smith, 2017).

IBM has acquired Lotus to launch into the software business and gain a new orientation. It was successful for the most part. While the Lotus product suite itself has declined under Microsoft’s pressure, IBM has been able to use the agreement to evolve its own business into software and services. IBM has transferred its mature material activities to
focus on new growth sectors; for example, its PC activity was sold to Lenovo (Gomes-Casseres, 2015).

Compaq has acquired DEC to get into high-end computing and gain in size. They failed, except that HP bailed them with its even greater acquisition of COMPAQ, again pursuing the ladder in a mature enterprise (PCs) (Gomes-Casseres, 2015). This second merger has also failed, according to most accounts, and is back in the news due to the presidential run by Carly Fiorina. In a reversal of the merger trend, HP is now decomposing to separate its high-end PC activity. In hindsight, this ‘double’ merger followed by a rupture seems a convoluted way of accessing a set of viable businesses (Smith, 2017).

There are at least three views one can collude on based on the arguments above. The strategy behind the agreement is more critical than the details of the deal itself (Gomes-Casseres, 2015). An acquisition, in itself, is neither good nor bad for the purchaser. (It is almost always good for the seller, regarding value transferred—otherwise, they would not sell.) It matters more about what you do with the newly acquired resources. IBM used Lotus as a springboard in software and was ready to abandon mature businesses. Compaq, however, tried in vain to use the size to push its hardware into profitability (Smith, 2017).

2.5 Chapter Summary

This chapter has provided a literature review based on three research questions of the study. The chapter evaluated the views of various scholars on the effects and benefits of Product, supply chain, and business-model competitive advantage brought about in Mergers and acquisitions. Empirical studies were also conducted on Dell EMC’s merger. The next chapter will discuss the research methodology and design to be used in conducting the research.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter will provide a discussion on the methodology used to carry out the study and the choice of research design that was used to undertake the study. It shows the population of the study and the sampling design which was a description of the sample size and sampling technique. The chapter further elaborates the rationale for the selection of the population, sample, sampling design and sampling technique.

3.2 Research Design

Cooper & Schindler (2014) wrote regarding research methodology and espoused that research design was the plan and structure that was used to analyse the subject matter under study with the intention of answering the research questions. Burns and Groove (2003) as well, depict research design as a well-defined plan to navigate your research with a great amount of control, planning to avoid factors that can negatively impact the study and the validity of the research. Furthermore, Burns and Bush (2010) define descriptive research as the set of tools and methods that can be used to describe variables. The descriptive research design explains the behaviour and characteristics of a population (Sloman, 2010).

Authors and scholars have argued and view this form of research design as mere description. Good descriptive research was fundamental to the research endeavor and has contributed greatly to the knowledge of society as a whole (Creswell, 2007). The advantage of using a descriptive research model was that the data can be easily accessed through surveys, and therefore can be relatively inexpensive compared to the causal research model, which was due to the fact that it’s trying to answer the question. "what” as opposed to”how, when and why” (Shields & Rangarajan, 2013). Employing this research design, the researcher will conduct a survey on the sample derived from the population of choice, namely employees of Dell EMC CEA with the dependent variable being the effect of mergers and acquisitions in organwasations. The independent variables were the benefits of the mergers and acquisition, the challenges and critical success factors necessary to sustain the acquisitions and mergers.
3.3 Population and Sampling Design

3.3.1 Population

According to Cooper & Schindler (2014) a population as applied in research, is the collection of total elements that one wishes to study and make inferences in a bid to make derive insight. In this study the population was 40 mid-level managers and 8 top level managers. These were employees who were directly involved in strategy formulation and implementation.

Table 3.1: Population Size

<table>
<thead>
<tr>
<th>Employee Role</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>8</td>
<td>16.67%</td>
</tr>
<tr>
<td>Sales &amp; Pre-Sales Team</td>
<td>20</td>
<td>41.67%</td>
</tr>
<tr>
<td>Ancillary Team</td>
<td>20</td>
<td>41.67%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>48</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design

Sampling Design was the procedure that guides the researcher towards selecting the appropriate sample or as the means by which one selects the primary elements of data selection and analysis appropriately for research questions (Shields & Rangarajan, 2013).

3.3.2.1 Sampling Frame

The sampling frame was the list of elements from which the sample was drawn from (Cooper & Schindler, 2014). This definition was further supported by Saunders, Lewis and Thornhill (2007) which define a survey basis as the complete list of population cases from which the sample was selected. The sampling framework for this study included all DELL EMC CEA employees affected in the integration and implementation of the strategy. These are employees who are in the senior management and intermediate level. The list of these employees was provided by the Human Resources department at DELL EMC.
3.3.2.2 Sampling Technique

This was the method of selecting a sample from the population that was representative of the characteristics of the total population (Cooper & Schindler, 2014). This study used the stratified random sampling technique. Stratified random sampling was a method by which members of a homogeneous group are segmented into different subgroups, and random samples were taken from subgroups (Saunders, Thornhill, & Lewis, 2007). Mugenda and Mugenda (1999) define this technique as a process of dividing members of a population into homogenous subgroups before sampling. The population will be segmented on level of seniority and role description, as each of these differ from the other in terms of responsibilities and nature of work. That is a researcher employed into the organization will have a different experience in comparison to a seller who directly interacts with the customers.

3.3.2.3 Sample Size

According to Roxy, Olsen and Devore (2008), a sample size was the number of elements or people in the sample to be studied. Based on the sample size determination formula by Raosoft Inc (2004),

In this study 100% of the total population was involved. This in turn translated to 48 respondents. According to Mugenda and Mugenda (2003) a sample size of greater than 30% of the population was considered sufficient for the study. The sample size was distributed across the divisions in the same percentage as the population.

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<thead>
<tr>
<th>Table 3.2 Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role</td>
</tr>
<tr>
<td>Management</td>
</tr>
<tr>
<td>Sales &amp; Presales</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Ancillary</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>
3.4 Data Collection Methods

Data collection began with the researcher obtaining all the necessary documents, including a letter of introduction from the university. The researcher also sought to obtain a hearing from the human and legal resource teams of the selected business units in order to obtain access to the participants required to acquire the primary data needed to meet the Research objectives of the study. A structured questionnaire was the tool adopted to gather the required information. The questions posed in the questionnaires were based on the research questions raised in the first chapter. The questionnaire built out on Google Forms were used to collect specific information from the respondents. This approach was very advantageous as it provided immediate feedback and clarification on the questions posed to respondents. The questionnaire was comprised of both open ended and close ended questions. It made use of the five Richter scale i.e. from strongly agree to strongly disagree.

The questionnaire was composed of four parts: The general information of the respondents, the level of disturbance, the level of uncertainty, the extent of the short life cycles of the products in the technological environment as well as the strategic responses. After obtaining the authorization, the researcher emailed the link to the questionnaires to the sampled individuals in the selected business units. The use of online questionnaires should facilitate the data collection process since all selected respondents were contacted on time. During the distribution of the instruments the goal of the research was explained.

3.5 Research Procedures

A pre-test of the questionnaire was undertaken to certify that the questions was effective for data collection. A pre-test was conducted using a strategic management professor and later with three employees of Dell EMC. The comments were based on the quality of the questionnaire, the length of the questionnaire, the time required to complete the questionnaire, the clarity of the questions and the relevance of the questions to the organization. The method used to distribute the questionnaires was email, which had a link to the Google forms application. After the respondent spent five days with the tool to ensure that they had enough time to respond, the researcher went forward to collect the questionnaires. The researcher made follow ups with reminders and calls to ensure that
the response rate was high. The respondents were assured of the confidentiality and anonymity of their feedback.

3.6 Data Analysis Methods

Data analysis involves the process of reducing the accumulated information to a manageable size, summarize the data, and outline the patterns by applying various statistical techniques with the aim of identifying useful information that can be used for decision making purposes (Surhone, 2009). The data was prepared for analysis by editing, coding, transcribing and cleaning the data. Descriptive statistics and dispersion were used to analyze the data. Inferential statistics in form of correlation analysis was used to examine the relationships between variables. Data was presented in the form of figures and tables. Statistical Package for Social Sciences (SPSS) and Microsoft Excel were the tools used to analyze the data.

3.7 Chapter Summary

The chapter has described the research methodology used to carry out the research. The research design was descriptive in nature focusing on technology companies operating in East Africa. The sampling technique, sample size, population and questionnaire as a primary data collection tool were described. Data collection was carried out via questionnaires and analyzed through the descriptive statistics while using Microsoft Excel and SPSSS as the analysis tools from which illustrations shall be obtained in forms of tables and figures.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results established from the data analysis done. This included results relating to the demography and specific research objectives aimed at establishing the factors affecting strategy implementation at chase Bank.

4.1.1 Response Rate

The research issued a total of 48 questionnaires and a total of 35 were filled and returned giving a response rate of 73%. This was sufficient for the study as indicated in table 4.1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>35</td>
<td>73</td>
</tr>
<tr>
<td>Non-response</td>
<td>13</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2 General information

4.2.1 Respondents Gender

An analysis of respondent’s gender indicated that male were the majority at 71%, while female accounted for 29% as indicated in figure 4.1. This implies that the IT sector is male dominated.

![Figure 4.1: Respondents Gender](image)

Figure 4.1: Respondents Gender
4.2.2 Respondents Age Group

The results established that respondents of the age group 27 - 33 years accounted for 37%, while those of the age group 34 - 40 years were the majority at 43%, it was also noted that the age group 41 - 47 years had a 17% representation, while those aged above 48 years had a 3% representation as indicated in Figure 4.2. This implies that the sector has employees with varied ages thus vast experience in the sector.

![Figure 4.2: Respondents Age Group](image)

4.2.3 Years of Experience in the IT Field

On evaluating the years of experience in the sector, the findings indicated that respondents with 0 - 5 years’ experience were 11%, those of 6-10 years were 37%, and those of 11-15 years, and 15-20 years were 23% respectively. Respondents with over 21 years’ experience accounted for 6%.

![Figure 4.3: Years of Experience in the IT Field](image)


4.2.4 Role in the Firm

Analysis of the role played by the respondents indicated that individuals in management were 17%, those in ancillary were 14% and the majority were in Sales and Pre-Sales who accounted for 69% as indicated in Figure 4.4

![Figure 4.4: Role in the Firm](image)

4.2.5 Previous Work History

Analysis to investigate respondents work history revealed that 40% of the respondents had worked at DELL before, while those who had worked at EMC were 54%, and only 6% had worked on either of the firms as indicated in Figure 4.5

![Figure 4.5: Company Worked](image)

4.2.6 Years worked in Dell or EMC

Analysis to investigate respondents’ years worked in Dell or EMC revealed that 69% of the respondents had 0-5 years’ work experience, while those who had worked 6-10 were
26%, and only 3% had 11-15 years, and 15-20 years’ experience respectively. It was also revealed that no one had over 21 years’ experience as indicated in Figure 4.6

![Figure 4.6: Years worked in Dell or EMC](image)

**4.3 Merger Outlook**

The study sought to establish the outlook of mergers and to achieve this, the respondents were required rate the statements and the results are as follows.

**4.3.1 Descriptive of Merger Outlook**

The study revealed that 49% agreed that merger/acquisition was necessary ($m = 89, sd = .932$). It was also revealed that 37% admitted that the role has changed (expanded/shrunk/shifted) ($m = .63, sd = 1.190$). In addition, 37% were uncertain if the like the new role ($m = .71, sd = .957$) while 29% were uncertain of benefits having improved (m=.20, sd=1.256). The findings also indicated that 46% perceived market view is better with the merger ($m = 1.11, sd = .932$). It was also revealed that the 60% acknowledged that the market lack the understanding about the value of the new company ($m = .86, sd = .944$). On the other hand 49% agreed that the partners have benefited from the merger ($m = .91, sd = .887$). At the same time, 54% strongly agreed that the merger/acquisition has made Dell EMC competitive ($m = 1.31, sd = .932$).

In the table below, SD to SA represents Strongly Disagree to Strongly Agree.
Table 4.2: Descriptive of Merger Outlook

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The merger/acquisition was necessary.</td>
<td>35</td>
<td>0%</td>
<td>11%</td>
<td>14%</td>
<td>49%</td>
<td>26%</td>
<td>.89</td>
<td>.932</td>
</tr>
<tr>
<td>Your role has changed (expanded/shrunk/shifted)</td>
<td>35</td>
<td>6%</td>
<td>14%</td>
<td>17%</td>
<td>37%</td>
<td>26%</td>
<td>.63</td>
<td>1.190</td>
</tr>
<tr>
<td>I like the new role.</td>
<td>35</td>
<td>3%</td>
<td>3%</td>
<td>37%</td>
<td>34%</td>
<td>23%</td>
<td>.71</td>
<td>.957</td>
</tr>
<tr>
<td>The benefits have improved.</td>
<td>35</td>
<td>11%</td>
<td>17%</td>
<td>29%</td>
<td>26%</td>
<td>17%</td>
<td>.20</td>
<td>1.256</td>
</tr>
<tr>
<td>Perceived market view is that were better together.</td>
<td>35</td>
<td>3%</td>
<td>3%</td>
<td>11%</td>
<td>46%</td>
<td>37%</td>
<td>1.11</td>
<td>.932</td>
</tr>
<tr>
<td>Market understands the value of the new company.</td>
<td>35</td>
<td>3%</td>
<td>9%</td>
<td>9%</td>
<td>60%</td>
<td>20%</td>
<td>.86</td>
<td>.944</td>
</tr>
<tr>
<td>Partners have benefited from the merger.</td>
<td>35</td>
<td>0%</td>
<td>9%</td>
<td>17%</td>
<td>49%</td>
<td>26%</td>
<td>.91</td>
<td>.887</td>
</tr>
<tr>
<td>The merger/acquisition has made Dell EMC competitive</td>
<td>35</td>
<td>0%</td>
<td>9%</td>
<td>6%</td>
<td>31%</td>
<td>54%</td>
<td>1.31</td>
<td>.932</td>
</tr>
</tbody>
</table>

4.4 Products Competitive Advantage

The study sought to establish the effects of mergers on products competitive advantage, by comparing the results before and after the merger. To achieve this, the respondents were required rate the statements and the results are as follows.

4.4.1 Descriptive of Products Competitive Advantage

The study revealed that they were satisfied with the post-merger product offerings (m=1.46, sd=.657). The post-merger product offerings gave the company more Competitive Advantage (m=1.60, sd=.604). Majority also agreed that post-merger product offerings led/lead to limited reach (m=.91, sd=1.292), and the product offerings existed at various price points (m=1.09, sd=.702). It was however indicated that pre-merger product offerings had the right messaging (m=1.26, sd.611). It was also revealed that after the merger product offerings were limited (m=1.03, sd=1.175). It was also established that products were more aesthetically designed before the merger (m=1.29, sd=.860) although after the merger, products were widely known (m=1.46, sd=. 657).
Table 4.3: Descriptive of Products Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>STAT</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I was/am satisfied with the Product Offerings.</td>
<td>Pre</td>
<td>0%</td>
<td>3%</td>
<td>14%</td>
<td>57%</td>
<td>26%</td>
<td>1.06</td>
<td>.725</td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>0%</td>
<td>0%</td>
<td>9%</td>
<td>37%</td>
<td>54%</td>
<td>1.46</td>
<td>.657</td>
</tr>
<tr>
<td>Product offerings gave/give the company Competitive Advantage.</td>
<td>Pre</td>
<td>0%</td>
<td>3%</td>
<td>11%</td>
<td>77%</td>
<td>9%</td>
<td>.91</td>
<td>.562</td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>0%</td>
<td>0%</td>
<td>6%</td>
<td>29%</td>
<td>66%</td>
<td>1.60</td>
<td>.604</td>
</tr>
<tr>
<td>Product offerings led/lead to limited reach.</td>
<td>Pre</td>
<td>0%</td>
<td>14%</td>
<td>29%</td>
<td>49%</td>
<td>9%</td>
<td>.51</td>
<td>.853</td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>0%</td>
<td>3%</td>
<td>11%</td>
<td>60%</td>
<td>26%</td>
<td>.91</td>
<td>1.292</td>
</tr>
<tr>
<td>Product offerings existed/exist at various price points.</td>
<td>Pre</td>
<td>0%</td>
<td>11%</td>
<td>20%</td>
<td>49%</td>
<td>20%</td>
<td>.77</td>
<td>.910</td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>11%</td>
<td>3%</td>
<td>9%</td>
<td>37%</td>
<td>40%</td>
<td>1.09</td>
<td>.702</td>
</tr>
<tr>
<td>Product offerings had/have the right messaging.</td>
<td>Pre</td>
<td>0%</td>
<td>0%</td>
<td>9%</td>
<td>57%</td>
<td>34%</td>
<td>1.26</td>
<td>.611</td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>0%</td>
<td>6%</td>
<td>14%</td>
<td>43%</td>
<td>37%</td>
<td>1.11</td>
<td>.867</td>
</tr>
<tr>
<td>Product offerings were/are limited.</td>
<td>Pre</td>
<td>3%</td>
<td>14%</td>
<td>29%</td>
<td>49%</td>
<td>6%</td>
<td>.40</td>
<td>.914</td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>6%</td>
<td>6%</td>
<td>14%</td>
<td>29%</td>
<td>46%</td>
<td>1.03</td>
<td>1.175</td>
</tr>
<tr>
<td>Products were/are Aesthetically Designed</td>
<td>Pre</td>
<td>0%</td>
<td>3%</td>
<td>17%</td>
<td>29%</td>
<td>51%</td>
<td>1.29</td>
<td>.860</td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>0%</td>
<td>3%</td>
<td>14%</td>
<td>46%</td>
<td>37%</td>
<td>1.17</td>
<td>.785</td>
</tr>
<tr>
<td>Products were/are widely known.</td>
<td>Pre</td>
<td>0%</td>
<td>3%</td>
<td>11%</td>
<td>51%</td>
<td>34%</td>
<td>1.17</td>
<td>.747</td>
</tr>
<tr>
<td></td>
<td>Post</td>
<td>0%</td>
<td>0%</td>
<td>9%</td>
<td>37%</td>
<td>54%</td>
<td>1.46</td>
<td>.657</td>
</tr>
</tbody>
</table>

4.4.2 Paired Sample t Test

A Paired sample t test was done to compare products competitive advantage before and after the merger. As indicated in Table 4.4, the total population under study was 35 respondents and pre-merger product competitive advantage was distributed with a mean of 0.54622 and a standard deviation of 0.0924. The post-merger is distributed with a mean 1.2286 and a standard deviation of 0.0966.

Table 4.4: Paired Samples Statistics of Products Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre product</td>
<td>.9214</td>
<td>35</td>
<td>.54662</td>
<td>.09240</td>
</tr>
<tr>
<td>Post product</td>
<td>1.2286</td>
<td>35</td>
<td>.57161</td>
<td>.09662</td>
</tr>
</tbody>
</table>
4.4.3 Paired Samples Correlations of Products Competitive Advantage

A correlation between the paired sample revealed that there was a significant correlation between the two variables (r=0.431, p=0.010) as indicated in Table 4.5

Table 4.5: Paired Samples Correlations of Products Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Correlation</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1 Pre product &amp; Post product</td>
<td>35</td>
<td>.431</td>
<td>.010</td>
</tr>
</tbody>
</table>

4.4.4 Paired Differences of Products Competitive Advantage

As indicated in Table 4.3, $t_{(34)} = -3.045$, P value 0.004< 0.05 which means there is a significant difference between the mean of products competitive advantage before and after the merger. The mean of the post-merger is 0.30714 higher than the mean of pre-merger.

Table 4.6: Paired Differences of Products Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Paired Differences</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>95% Confidence Interval of the Difference</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>.59667</td>
<td>.10086</td>
<td>Lower</td>
<td>Upper</td>
</tr>
<tr>
<td>Pair 1</td>
<td>-.30714</td>
<td>.10218</td>
<td>-3.045</td>
<td>34</td>
<td>.004</td>
</tr>
</tbody>
</table>

4.5 Supply Chain Competitive Advantage

The study sought to establish the effects of mergers on supply chain competitive advantage, by comparing the results before and after the merger. To achieve this, the respondents were required to rate the statements and the results are as follows.

4.5.1 Descriptive of Supply Chain Competitive Advantage

The results established that they were more satisfied with the facets of the supply chain interacted with in the pre-merger (m=1.03, sd=.785). The supply chain after the merger gives the company competitive advantage (m=1.03, sd=.822). It was also established that respondents were satisfied with post-merger reach of the partner network (m=.83, sd=1.150) and skill set of the Partner network (m=.11, sd=1.157). The respondents also indicated that the partner network was satisfied with the pre-merger partner program (m=63, sd=.808). They were also satisfied with the pre-merger expediency of the Logistics team (speed/delays/ responsiveness) (m=.69, sd=.993) and accuracy of the
Logistics team (m=74, sd=.919) and the simplicity of the ordering system (m=.74, sd=.980).

Table 4.7: Descriptive of Supply Chain Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>STAT</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I was/am satisfied with the facets of the Supply Chain I interacted with.</td>
<td>Pre</td>
<td>0%</td>
<td>6%</td>
<td>11%</td>
<td>57%</td>
<td>26%</td>
<td>1.03</td>
<td>.785</td>
</tr>
<tr>
<td></td>
<td>post</td>
<td>0%</td>
<td>11%</td>
<td>20%</td>
<td>51%</td>
<td>17%</td>
<td>.74</td>
<td>.886</td>
</tr>
<tr>
<td>The Supply Chain gave/gives the company Competitive Advantage.</td>
<td>Pre</td>
<td>0%</td>
<td>0%</td>
<td>26%</td>
<td>49%</td>
<td>26%</td>
<td>1.00</td>
<td>.728</td>
</tr>
<tr>
<td></td>
<td>post</td>
<td>0%</td>
<td>3%</td>
<td>23%</td>
<td>43%</td>
<td>31%</td>
<td>1.03</td>
<td>.822</td>
</tr>
<tr>
<td>I was/am satisfied with the reach of the Partner network.</td>
<td>Pre</td>
<td>0%</td>
<td>20%</td>
<td>17%</td>
<td>54%</td>
<td>9%</td>
<td>.51</td>
<td>.919</td>
</tr>
<tr>
<td></td>
<td>post</td>
<td>6%</td>
<td>9%</td>
<td>14%</td>
<td>40%</td>
<td>31%</td>
<td>.83</td>
<td>1.150</td>
</tr>
<tr>
<td>I was/am satisfied with the skill set of the Partner network.</td>
<td>Pre</td>
<td>6%</td>
<td>26%</td>
<td>37%</td>
<td>29%</td>
<td>3%</td>
<td>-.03</td>
<td>.954</td>
</tr>
<tr>
<td></td>
<td>post</td>
<td>11%</td>
<td>17%</td>
<td>29%</td>
<td>34%</td>
<td>9%</td>
<td>.11</td>
<td>1.157</td>
</tr>
<tr>
<td>The Partner Network was/is satisfied with the Partner Program.</td>
<td>Pre</td>
<td>0%</td>
<td>9%</td>
<td>31%</td>
<td>49%</td>
<td>11%</td>
<td>.63</td>
<td>.808</td>
</tr>
<tr>
<td></td>
<td>post</td>
<td>0%</td>
<td>17%</td>
<td>34%</td>
<td>37%</td>
<td>11%</td>
<td>.43</td>
<td>.917</td>
</tr>
<tr>
<td>I am satisfied with the expediency of the Logistics team. (speed/responsiveness)</td>
<td>Pre</td>
<td>3%</td>
<td>9%</td>
<td>26%</td>
<td>43%</td>
<td>20%</td>
<td>.69</td>
<td>.993</td>
</tr>
<tr>
<td></td>
<td>post</td>
<td>3%</td>
<td>14%</td>
<td>40%</td>
<td>34%</td>
<td>9%</td>
<td>.31</td>
<td>.932</td>
</tr>
<tr>
<td>I am satisfied with the accuracy of the Logistics team.</td>
<td>Pre</td>
<td>0%</td>
<td>9%</td>
<td>31%</td>
<td>37%</td>
<td>23%</td>
<td>.74</td>
<td>.919</td>
</tr>
<tr>
<td></td>
<td>post</td>
<td>3%</td>
<td>11%</td>
<td>31%</td>
<td>43%</td>
<td>11%</td>
<td>.49</td>
<td>.951</td>
</tr>
<tr>
<td>I was/am satisfied with the simplicity of the Ordering system.</td>
<td>Pre</td>
<td>3%</td>
<td>6%</td>
<td>29%</td>
<td>40%</td>
<td>23%</td>
<td>.74</td>
<td>.980</td>
</tr>
<tr>
<td></td>
<td>post</td>
<td>6%</td>
<td>14%</td>
<td>31%</td>
<td>31%</td>
<td>17%</td>
<td>.40</td>
<td>1.117</td>
</tr>
</tbody>
</table>

4.5.2 Paired Sample T-test

A Paired sample t test was done to compare supply chain advantage before and after the merger. As indicated in Table 4.8, the total population under study was 35 respondents and pre-merger supply chain competitive advantage was distributed with a mean of 0.6643 and a standard deviation of 0.1051. The post-merger is distributed with a mean 0.5429 and a standard deviation of 0.12094

Table 4.8: Paired Samples Statistics of Supply Chain Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre supply chain</td>
<td>.6643</td>
<td>35</td>
<td>.62188</td>
<td>.10512</td>
</tr>
<tr>
<td>Post supply chain</td>
<td>.5429</td>
<td>35</td>
<td>.71547</td>
<td>.12094</td>
</tr>
</tbody>
</table>
4.5.3 Paired Samples Correlations of Supply Chain Competitive Advantage

A correlation between the paired sample revealed that there was a significant correlation between the two variables \( r=0.745, p=0.000 \) as indicated in Table 4.9.

Table 4.9: Paired Samples Correlations of Supply Chain Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Correlation</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre supply chain &amp; Post supply chain</td>
<td>35</td>
<td>.745</td>
<td>.000</td>
</tr>
</tbody>
</table>

4.5.4 Paired Differences of Supply Chain Competitive Advantage

As indicated in Table 4.10, \( t_{34} = -3.045 \). \( P \text{ value} \ 0.148 > 0.05 \) which means there is no significant difference between the mean of supply chain competitive advantage before and after the merger. The mean of the post-merger is 0.12143 lower than the mean of pre-merger.

Table 4.10: Paired Differences of Supply Chain Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Paired Differences</th>
<th>95% Confidence Interval of the Difference</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Std. Error Mean</td>
</tr>
<tr>
<td>Pair 1</td>
<td>.12143</td>
<td>.48553</td>
<td>.08207</td>
</tr>
</tbody>
</table>

4.6 Business Model Competitive Advantage

The study sought to establish the effects of mergers on business model competitive advantage, by comparing the results before and after the merger. To achieve this, the respondents were required to rate the statements and the results are as follows.

4.6.1 Descriptive of Business Model Competitive Advantage

The finding revealed that respondents were satisfied with the business model however the pre-merger was higher \( m = 1.31, sd = .718 \). It was however revealed that the post-merger business model gave the company more competitive advantage.
and the business model led to limited reach \( (m = 1.34, sd = .684) \). Despite this, the go-to-market strategy was/is well communicated in the pre-merger \( (m = 1.17, sd = .747) \) and is well implemented \( (m = 1.09, sd = .818) \). It was, however, revealed that majority disagreed that the business model was complex \( (m = .26, sd = 1.120) \) and in the post-merger it was revealed that the business model adapted to market needs \( (m = 1.00, sd = .804) \). The business model was more understood by partner network in the pre-merger \( (m = 80, sd = .759) \).

### Table 4.11: Business Model Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>STAT</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I was/am satisfied with the Business Model</td>
<td>Pre</td>
<td>0%</td>
<td>3%</td>
<td>6%</td>
<td>49%</td>
<td>43%</td>
<td>1.31</td>
<td>.718</td>
</tr>
<tr>
<td>Post</td>
<td>0%</td>
<td>3%</td>
<td>9%</td>
<td>63%</td>
<td>26%</td>
<td></td>
<td>1.11</td>
<td>.676</td>
</tr>
<tr>
<td>Business Model gave/gives the company Competitive Advantage</td>
<td>Pre</td>
<td>0%</td>
<td>3%</td>
<td>9%</td>
<td>54%</td>
<td>34%</td>
<td>1.20</td>
<td>.719</td>
</tr>
<tr>
<td>Post</td>
<td>0%</td>
<td>3%</td>
<td>3%</td>
<td>51%</td>
<td>43%</td>
<td></td>
<td>1.34</td>
<td>.684</td>
</tr>
<tr>
<td>Business Model led/leads to limited reach.</td>
<td>Pre</td>
<td>3%</td>
<td>14%</td>
<td>26%</td>
<td>31%</td>
<td>26%</td>
<td>.63</td>
<td>1.114</td>
</tr>
<tr>
<td>Post</td>
<td>6%</td>
<td>6%</td>
<td>11%</td>
<td>37%</td>
<td>40%</td>
<td></td>
<td>1.00</td>
<td>1.138</td>
</tr>
<tr>
<td>Go to market Strategy was/is well communicated</td>
<td>Pre</td>
<td>0%</td>
<td>3%</td>
<td>11%</td>
<td>51%</td>
<td>34%</td>
<td>1.17</td>
<td>.747</td>
</tr>
<tr>
<td>Post</td>
<td>0%</td>
<td>9%</td>
<td>14%</td>
<td>51%</td>
<td>26%</td>
<td></td>
<td>1.03</td>
<td>.891</td>
</tr>
<tr>
<td>Go to market Strategy was/is well implemented.</td>
<td>Pre</td>
<td>0%</td>
<td>6%</td>
<td>11%</td>
<td>51%</td>
<td>31%</td>
<td>1.09</td>
<td>.818</td>
</tr>
<tr>
<td>Post</td>
<td>0%</td>
<td>9%</td>
<td>11%</td>
<td>49%</td>
<td>31%</td>
<td></td>
<td>.94</td>
<td>.873</td>
</tr>
<tr>
<td>Business Model was/is complex.</td>
<td>Pre</td>
<td>9%</td>
<td>34%</td>
<td>23%</td>
<td>29%</td>
<td>6%</td>
<td>-.11</td>
<td>1.105</td>
</tr>
<tr>
<td>Post</td>
<td>0%</td>
<td>34%</td>
<td>23%</td>
<td>26%</td>
<td>17%</td>
<td></td>
<td>.26</td>
<td>1.120</td>
</tr>
<tr>
<td>Business Model adapted to market needs.</td>
<td>Pre</td>
<td>0%</td>
<td>6%</td>
<td>17%</td>
<td>57%</td>
<td>20%</td>
<td>.91</td>
<td>.781</td>
</tr>
<tr>
<td>Post</td>
<td>0%</td>
<td>3%</td>
<td>23%</td>
<td>46%</td>
<td>29%</td>
<td></td>
<td>1.00</td>
<td>.804</td>
</tr>
<tr>
<td>Business Model was/is well understood by Partner Network.</td>
<td>Pre</td>
<td>0%</td>
<td>9%</td>
<td>14%</td>
<td>66%</td>
<td>11%</td>
<td>.80</td>
<td>.759</td>
</tr>
<tr>
<td>Post</td>
<td>0%</td>
<td>14%</td>
<td>31%</td>
<td>34%</td>
<td>20%</td>
<td></td>
<td>.60</td>
<td>.976</td>
</tr>
</tbody>
</table>
4.6.2 Paired Sample t Test

A Paired sample t test was done to compare business model competitive advantage before and after the merger. As indicated in Table 4.12, the total population under study was 35 respondents and pre-merger business model competitive advantage was distributed with a mean of 0.8750 and a standard deviation of 0.53379. The post-merger is distributed with a mean 0.9107 and a standard deviation of 0.55454.

Table 4.12: Paired Samples Statistics of Business Model Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre Business Model</td>
<td>.8750</td>
<td>35</td>
<td>.53379</td>
<td>.09023</td>
</tr>
<tr>
<td>Post Business Model</td>
<td>.9107</td>
<td>35</td>
<td>.55454</td>
<td>.09373</td>
</tr>
</tbody>
</table>

4.6.3 Paired Samples Correlations of Business Model Competitive Advantage

A correlation between the paired sample revealed that there was no significant correlation between the two variables \((r = 0.613, \ p = 0.000)\) as indicated in Table 4.13.

Table 4.13: Paired Samples Correlations of Business Model Competitive Advantage

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Correlation</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1 Pre Business Model &amp; Post</td>
<td>35</td>
<td>.613</td>
<td>.000</td>
</tr>
<tr>
<td>Business Model</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.6.4 Paired Differences of Business Model Competitive Advantage

As indicated in Table 4.14, \(t_{(34)} = -0.03571\). \(P \text{ value } 0.662 > 0.05\) which means there is no significant difference between the mean of business model competitive advantage before and after the merger. The mean of the post-merger is 0.0.3571 higher than the mean of pre-merger.

Table 4.14: Paired Differences of Business Model Competitive Advantage

<table>
<thead>
<tr>
<th>Paired Differences</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>95% Confidence Interval of the Difference</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pair 1</td>
<td>-.03571</td>
<td>.47894</td>
<td>.08096</td>
<td>-.20024</td>
<td>-.441</td>
<td>34</td>
<td>.662</td>
</tr>
</tbody>
</table>
4.7 Correlation Analysis

4.7.1 Correlation of Merger Objective and Pre-merger Co Factors

A Pearson correlation analysis was done to establish the relationship between the merger objective and pre-merger co factors and the result established a positive and significant relationship between merger objective and product competitive advantage ($r = .379, p = 0.025$); supply chain competitive advantage ($r = 0.593, p = 0.000$); and Business Model ($r = 0.462, p = 0.005$). All the variables were significant as indicated in table 4.15. Therefore, an increase in combined variables of product competitive advantage, supply chain competitive advantage and Business Model lead to achievement of merger objective.

| Table 4.15: Correlation of Merger Objective and Pre-Merger Co Factors |
|-------------------------|------------------|-----------------|------------------|------------------|
| Merger Objective | Pre Product | Pre Supply | Pre Business Model |
| Pearson Correlation | 1 | .379* | .593** | .462** |
| Sig. (2-tailed) | | .025 | .000 | .005 |
| Pearson Correlation | .410* | 1 | .015 | |
| Sig. (2-tailed) | | | .002 | |
| Pearson Correlation | .588** | | 1 | |
| Sig. (2-tailed) | | | | .000 |
| N | 35 | 35 | 35 | 35 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

4.7.2 Correlation of Merger Objective and Post-Merger Co Factors

A Pearson correlation analysis was done to establish the relationship between the merger objective and post-merger co factors and the result established a strong positive and significant relationship between merger objective and product competitive advantage ($r = .525, p = 0.001$); supply chain competitive advantage ($r = 0.575, p = 0.000$); and business model ($r = 0.586, p = 0.000$). All the variables were significant as indicated in table 4.16. Therefore, an increase in combined variables of product competitive advantage, supply chain competitive advantage and Business Model lead to achievement of merger objective.
competitive advantage, supply chain competitive advantage and business model lead to achievement of post-merger objective.

**Table 4.16: Correlation of Merger Objective and Post-merger Co Factors**

<table>
<thead>
<tr>
<th>Merger Objective</th>
<th>Post Product</th>
<th>Post Supply</th>
<th>Post Business Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.525**</td>
<td>.393*</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.001</td>
<td>.001</td>
</tr>
<tr>
<td>Post Product</td>
<td>.575**</td>
<td>.393*</td>
<td>1</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.000</td>
<td>.046</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post Supply</td>
<td>.586**</td>
<td>.694**</td>
<td>.552**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.000</td>
<td>.000</td>
<td>.001</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post Business Model</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>35</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.05 level (2-tailed).**  
**. Correlation is significant at the 0.01 level (2-tailed).**  

**4.8 Chapter Summary**

This chapter has highlighted results and findings as established from the data analysis done. The first section provided an analysis of demographic data of the respondents, the second section dealt with data on product competitive advantage, the third section looked at the data on supply chain competitive advantage, and the fourth section covered issues of business model competitive advantage. In chapter five this results will be discussed and relevant conclusions and recommendations made with regard to mergers.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section will seek to analyse the findings and this will be done by comparing and contrasting with previous literature related to mergers and acquisitions. This will be organized based on the specific research questions which sought to establish the effects of M&A on product competitive advantage, effect of M&A on supply chain competitive advantage and effects of M&A on business model competitive advantage.

5.2 Summary

The purpose of this study was to analyze competitive advantage (or lost) gained due to mergers and acquisitions: A Case of Dell EMC Central East Africa (CEA). To achieve this objective, the study was guided by three specific objectives which sought to establish the effects of M&A on product competitive advantage, effect of M&A on supply chain competitive advantage and the effects of M&A on business model competitive advantage.

A descriptive research was adopted to aid in the data collecting from respondents on their perceptions on competitive advantage (or lost) gained due to mergers and acquisitions. Further, a correlational approach was adopted to establish the relationship between the M&A and product competitive, supply chain and business model competitive advantage. The target population for this study was 40 mid-level managers and 8 top level managers. These are employees who are directly involved in strategy formulation and implementation. A structured questionnaire was the tool adopted to gather the required information. The questions posed in the questionnaires were based on the research questions raised in the first chapter. The questionnaire built out on Google Forms were used to collect specific information from the respondents.

The sampling technique was stratified random sampling method. This entailed dividing the population into mutually exclusive groups, in this case heads of department, managers and assistant managers. Then random samples were drawn from each group. From the initial target population of 48 questionnaires awarded only 35 were filled and returned giving a response rate of 73%.
The study revealed that respondents were satisfied with the post-merger product offerings which gave the company more competitive advantage. Majority also agreed that the product offerings existed at various price points although the pre-merger product offerings had the right messaging. It was also revealed that after the merger product offerings were limited and the products were more aesthetically designed before the merger although after the merger, products were widely known. A Paired sample t test was done to compare products competitive advantage before and after the merger and pre-merger product competitive advantage. The difference revealed that \( t_{(34)} = -3.045, p \text{ value 0.004 < 0.05} \) which means there is a significant difference between the mean of products competitive advantage before and after the merger.

The study sought to establish the effects of mergers on supply chain competitive advantage, by comparing the results before and after the merger. The results established that they were more satisfied with the facets of the supply chain interacted with in the pre-merger. The supply chain after the merger gives the company competitive advantage. It was also established that respondents were satisfied with post-merger reach of the partner network and skill set of the Partner network. The respondents also indicated that the partner network was satisfied with the pre-merger partner program. They were also satisfied with the pre-merger expediency of the Logistics team (speed/delays/responsiveness) and accuracy of the Logistics team and the simplicity of the ordering system). A Paired sample t test was done to compare supply chain advantage before and after the merger. A correlation between the paired sample revealed that there was a significant correlation between the two variables \( r = 0.745, p = 0.000 \). The difference revealed that \( t_{(34)} = -3.045, p \text{ value 0.148 > 0.05} \) which means there is no significant difference between the mean of supply chain competitive advantage before and after the merger.

The study sought to establish the effects of mergers on business model competitive advantage, by comparing the results before and after the merger. The finding revealed that respondents were satisfied with the business model however the pre-merger was higher. It was however revealed that the post-merger business model gave the company more competitive advantage and the business model led to limited reach. Despite this the go to market Strategy was/is well communicated in the pre-merger, and is well implemented. It was however revealed that majority disagreed that the business Model
was complex and in the post-merger it was revealed that the business model adapted to market needs. The business model was more understood by partner network in the pre-merger. A Paired sample t test was done to compare business model competitive advantage before and after the merger. A correlation between the paired sample revealed that there was no significant correlation between the two variables \( r = 0.613, p = 0.000 \).

The difference revealed that \( t(24) = -0.03571, P \text{ value } 0.662 > 0.05 \) which means there is no significant difference between the mean of business model competitive advantage before and after the merger. The mean of the post-merger is 0.0.3571 higher than the mean of pre-merger. A Pearson correlation analysis was done to establish the relationship between the merger objective, and factors before and after the merger and the result established a positive and significant relationship between pre-merger and post-merger. Therefore, an increase in combined variables of product competitive advantage, supply chain competitive advantage and business model lead to achievement of a firm before and after the merger.

5.3 Discussion
5.3.1 Effects of M&A on Product Competitive Advantage

The study revealed that respondents were satisfied with the post-merger product offerings which gave the company more competitive advantage. Picardo (2014) agrees that companies use M&A to develop their product offerings and surpass their competitors. If it takes years or decades to double the size of a business through organic growth, it can be done much more quickly through mergers or acquisitions. They also show that companies can use the above strategy to achieve the dominance of the sector. Majority also agreed that the product offerings existed at various price points although the pre-merger product offerings had the right messaging.

It was also revealed that after the merger product offerings were limited. Quality after fusion does not lead or does not affect the competitiveness of the product. Sheen (2013) expounds that after the merger, brand consolidation occurs, companies are most likely to prune brands if the market is crowded with similar products. Sheen (2013) adds that this leads to pre-existing product lines that start acting like an old married couple; They are gradually approaching each other regarding characteristics and relative reliability, at least
in cases where both companies manufacture the same type of product. Nobel (2013) adds that past reviews conducted over the years indicate that the overall quality of the products remained constant after the merger. Although the products become more similar, they do not increase or decrease constantly regarding quality (Sheen, 2013).

The findings indicated that the products were more aesthetically designed before the merger although after the merger, products were widely known. Picardo (2014) studies also show that integration is a major risk for products resulting from M&A. In many cases, highlights that the integration of the activities of two companies is proving to be a much more difficult task in practice than it seemed in theory. This could result in a company's inability to achieve the desired objectives in terms of cost savings resulting from synergies and economies of scale. A potentially accretive transaction could be dilutive (Picardo, 2014).

A Paired sample t test was done to compare products competitive advantage before and after the merger it was revealed that there was a significant difference between the mean of products competitive advantage before and after the merger. Sheen (2013) states that, on average, research has shown that merging is a good thing in that profits and stock prices go up. It also notes that mergers have a positive effect on the competitiveness of products over time, because of the downward trend in product prices, which leads to lower prices compared to the competition. On average, it takes two to three years for product convergences and price decreases to take effect (Nobel, 2013).

In his study, Cassiman (2006) found that the impact of mergers and acquisitions on research and product development plus innovation depends on the technological similarities between the companies involved in a given merger or acquisition and similarities between the markets in which they operate. Companies operating in complementary technology sectors have a higher likelihood of achieving long-term synergies and savings in their R&D as a direct result of their merger. The future competitiveness of products is established by the competence developed in new technological fields, the achievement of a critical mass in new technological fields and a deeper commitment to reuse of technological resources (Wharton School, 2006).
5.3.2 Effect of M&A on Supply Chain Competitive Advantage

The results established that supply chain after the merger gives the company competitive advantage. Empirical literature suggest that the improvement of flexibility and speed of reaction has become increasingly important to obtain a competitive advantage (Upton, 1997). Responsiveness to the customer is essential to gain a competitive advantage (Martin & Grbac, 2003). Ellinger (2000) argues that competitive advantage lies with businesses that meet the needs of customers. Zhu (2012) states that the synergy of the supply chain (for example, in terms of the management and/or distribution of stocks) that merging firms can extract is a particularly important factor in determining the success or eventual failure of a Merger-acquisition.

It was also established that respondents were satisfied with reach of the partner network and skill set of the Partner network. Firms with more responsive supply chains will better adapt to fluctuations in demand and manage this uncertainty at a lower cost due to the shorter turnaround time (Martin & Grbac, 2003). Yusuf et al. (1999) argue that lean manufacturing compromises responsiveness to cost-effectiveness, but agile manufacturers give as much importance to cost as to responsiveness. Cost and quality have long been integrated into agile, competitive bases (Yusuf et al., 1999).

The findings indicated that the partner network was satisfied with the partner program. Larson and Kulchitsky (1998), in an empirical study, discovered that the development of strategic partnerships with suppliers also led to the profitability of the core business. Christopher (1992) argues that the higher the collaboration between the supplier and the customer, the greater the likelihood that the organizations can achieve a competitive advantage. The extensive coordination with suppliers and their involvement in the process of developing new products enhances the ability of firms to develop new high-performance products and thus gain a competitive advantage over the Market. Ragatz et al. (2002) have found that integrating suppliers can reduce the costs and quality of materials, the time and cost of product development and manufacturing costs while improving functionality. The benefits of supplier participation in the development of new products include reducing project costs (Kessler, 2000; Clark, 1989) and improving the perceived quality of the product (McGinnis & Vallorpa, 1999). A long-term relationship with the supplier will have a lasting effect on the competitiveness of the entire supply chain (Larson & Kulchitsky, 1998).
Majority of the respondents were satisfied with the pre-merger expediency of the Logistics team, accuracy of the logistics team and the simplicity of the ordering system. Towill (1996) suggests that efficient engineering of cycle time reduction will lead to significant improvements in manufacturing costs and productivity. Towill (1996) further argues that the reduction of delivery times is the necessary condition for a reactive supply chain and which also reduces the marketing time. Sharifi and Zhang (2001) stresses that responsiveness in the supply chain is a source of competitive advantage. A study carried out by Allnoch (1997) from 225 manufacturers revealed that the average companies needed much more time to respond to the changes in customer demand compared to the major manufacturers. In some cases, it took up to eight times more time. The study also found that while the larger manufacturers needed two weeks to meet the increased production requirements per customer demand, medium businesses required four weeks to four months.

A Paired sample t test revealed that there is no significant difference between the mean of supply chain competitive advantage before and after the merger. An effective SCM produces a competitive advantage for an enterprise in that it reduces costs (Martin & Grbac, 2003). It was found that GCA’s practices were linked positively to the competitive advantage (price, quality, reliability of delivery, product innovation and time to market) in previous documentation (Li, Ragu-Nathan, Ragu-Nathan, Rao, & Subba, 2006). It was pointed out that the practice of supply chain management has become an essential requirement to remain competitive and to grow economically in the current world race (Allnoch, 1997).

5.3.3 Effects of M&A on Business Model Competitive Advantage

The finding revealed that respondents were satisfied with the business model however the pre-merger was higher. According to Mitchell and Coles (2003), this process of pursuing innovation in business models is also a way to upgrade competition. According to the authors, the most successful companies often bring fundamental improvements to their business models, and the most efficient companies change models every two or four years. These companies regularly combine effective and continuous strategies with business model innovations.

It was however revealed that the post-merger business model gave the company more competitive advantage and the business model led to limited reach. It takes time to learn
and Chesbrough (2007) explains that modeling a business model can be characterized as a learning process and facilitates mapping, which can contribute significantly to success. Linder & Cantrell (2000) also propose that companies control the ability to change. They argue that for businesses to thrive, it is essential to experiment with new business models (Linder & Cantrell, 2000). The best way to do this is to go through the organizational mindset rather than change the organizational structure, and this "mindset," according to the authors, is equivalent to the business model of the company. Companies that learn to manage and integrate different mindsets instead of different organizational blocks can reap enormous benefits as they avoid the trauma that can be caused by repeated structural changes.

It was however revealed that majority disagreed that the business model was complex. Davenport et al. (2006) argue that for businesses to be competitive, they must continuously create and destroy their business models. This means the authors explain that companies have to manage a portfolio of multiple business models to avoid fixation on the existing business model. Also, companies should be able to "unlearn" past successes and strategic mindsets to prevent historical dependence. It is this process of systematic reinvention that companies should aim for (Davenport et al., 2006).

The study revealed that the business model adapted to market needs. Other authors also acknowledge that what constitutes a successful business model depends on the situation. The choice of an appropriate economic model is based on the context and business-specific factors according to Mahadevan (2000). The business model is a contingency model with an optimal operating mode for a specific situation in a particular market, say Mansfield and Fourie (2004). Kraemer et al. (2000) are studying the case of Dell and suggest that this is an illustration of how a business model can have inherent advantages in particular market conditions. Also arguing that it is the context that gives meaning to the business model (Chaharbaghi et al. 2003). They propose that a change of context requires a change of economic model. Companies can increase the possibility of "surviving and thriving" by creating their own formulas for success. The most effective tool to do this is not the business model itself, but by working with a meta-model and acknowledging the relationship between the meta level and the micro level (Chesbrough, 2007).

A Paired sample t test was done to compare business model competitive advantage before and after the merger. The findings revealed that there is no significant difference between
the mean of business model competitive advantage before and after the merger. Linder and Cantrell (2000) explain that institutions choose an effective business model and perform it superbly. And then they renew it when the competitors threaten the distinctive character. According to the authors, there is no guarantee of financial success. However, a successful business model offers unique value, it is difficult to imitate, and it is rooted in reality (Linder & Cantrell, 2000).

5.4 Conclusion

5.4.1 Effects of M&A on Product Competitive Advantage

Post-merger product offerings have the capability of offering the company more competitive advantage. The product offerings are usually in a wide variety at various price points although pre-merger product offerings had the right messaging. After a merger product offerings become limited as compared to the pre-merger where products are more aesthetically designed. The findings also reveal that after the merger, products are widely known. There is a significant difference between a products competitive advantage before and after the merger.

5.4.2 Effect of M&A on Supply Chain Competitive Advantage

The facets of the supply chain interacted with in the pre-merger are more preferred by respondents although it is correct to indicate that the supply chain after the merger gives the company more competitive advantage. Mergers add the reach of the partner network and skill set of the Partner network therefore result into increased competitiveness. Merger at Dell have incorporate existing pre-merger partner program, expediency of the logistics team and accuracy of the logistics team and the simplicity of the ordering system thus there is no significant difference between the mean of supply chain competitive advantage before and after the merger.

5.4.3 Effects of M&A on Business Model Competitive Advantage

Post-merger business model offers institutions with a more competitive advantage as it allows for an effective communication and implementation of the go to market Strategy. Business model are also adapted to market needs. The business model was more understood by partner network in the pre-merger. As a result, there means no significant difference between the mean of business model competitive advantage before and after the merger.
5.5 Recommendation

5.5.1 Recommendation for Improvement

5.5.1.1 Effects of M&A on Product Competitive Advantage

After undergoing an M&A the product offerings needs to be able to satisfy the customers’ needs to ensure the exercise results into gain of competitive advantage. To capture more market, the product offerings should exist at various price points, possess the right messaging and are aesthetically designed to meet the customer’s needs. This ensures continuity as the products become widely known.

5.5.1.2 Effect of M&A on Supply Chain Competitive Advantage

The facets of the supply chain should be stable to ensure products reach the consumers conveniently. This aids the firm in gaining a competitive advantage. Partner network should always be maintained and this will ensure the firm can connect with other partners and therefore share the skill set of the partner network. There is a need to maintain a synergy between the key departments after the mergers.

5.5.1.3 Effects of M&A on Business Model Competitive Advantage

Business model used before and after the mergers should be one that ensures the firm enjoys a competitive advantage. There is also a need to communicate the market strategy adopted, and this helps the institution in the implementation. The business model also need to be one that is very simple and capable of adaptation to the market needs. The should also be training if need be to ensure that the business model is well understood by partner network.

5.5.2 Recommendation for Further Research

Further research should be done on other firms that have experiences mergers in the same industry in order to be able to compare the results and therefore generalize the findings. There is also a need for further research to establish the challenges and risks faced before and after the merger.
REFERENCES


Wharton School. (2006, May 3). *Will Mergers and Acquisitions be Beneficial or Harmful to Innovation?* Retrieved from Knowledge @ Wharton School of the University of Pennsylvania: http://knowledge.wharton.upenn.edu/article/will-mergers-and-acquisitions-be-beneficial-or-harmful-to-innovation/


Tu Whom it May Concern
27th November 2019

Dear Sir/Madam

RE: DAN G. MBURU’s MBA RESEARCH PROJECT
The bearer of this letter is a final year MBA student at USIU and is required to do a research project. His study looks at the “MBA EFFECTS TO COMPETITIVE ADVANTAGE WITHIN IT COMPANIES” and has identified your organization as the one he would like to study.

This letter is to formally introduce him to your organization and request that you accord him the help he needs.

Thanks for your assistance

Yours sincerely

[Signature]

Chandaria School of Business

Fred Omondi Newa | Lecturer in Strategy and International Business

Chandaria School of Business
United States International University
P.O. Box 14634-00800 Nairobi, Kenya
Tel: (254) 20 3508381
Mobile: (254) 726302232
Email: fnewa@usiuc.ke | Web: www.usiu.ac.ke
APPENDIX II: QUESTIONNAIRE

QUESTIONNAIRE: M&A EFFECTS TO COMPETITIVE ADVANTAGE WITHIN IT COMPANIES

SECTION A: Demographic Data Collection.

*Required

1. What's your Gender?
   This is Optional
   Mark only one oval.
   
   □ Male
   □ Female

2. Age Group: *
   Mark only one oval.
   
   □ 20 - 26 Years
   □ 27 - 33 Years
   □ 34 - 40 Years
   □ 41 - 47 Years
   □ 48+ Years

3. How Many Years of Experience in the IT Field? *
   Mark only one oval.
   
   □ 0 - 5 Years
   □ 6 - 10 Years
   □ 11 - 15 Years
   □ 15 - 20 Years
   □ 21+ Years

4. What is your role? *
   Ancillary - providing necessary support to the primary activities or operation of an organization, system, etc.
   Mark only one oval.
   
   □ Management
   □ Ancillary
   □ Sales & Pre-Sales

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5. Which company did you work with before the merger? *
   EMC is any company that was part of the EMC umbrella including VMware
   Mark only one oval.
   - Dell
   - EMC
   - None of the Above

6. If either (of the above), for how many years? *
   Mark only one oval.
   - 0 - 5 Years
   - 6 - 10 Years
   - 11 - 15 Years
   - 15 - 20 Years
   - 21+ Years

MERGER OUTLOOK
SECTION B: Merger/Acquisition outlook depending on how you view it.

7. Your Outlook of the Merger *
   Mark only one oval per row:
   - The merger/acquisition was necessary.
   - Your role has changed (expanded/shrunk/shifted)
   - I like the new role
   - The benefits have improved
   - Perceived market view is that were better together
   - Market understands the value of the new company.
   - Partners have benefited from the merger.
   - The merger/acquisition has made Dell EMC competitive

Products Competitive Advantage
SECTION C1: Pre and Post Merger Analysis of Products Competitive Advantage

PLEASE NOTE: Pre merger refers to the company you worked for before the Merger/Acquisition.

8. I was/am satisfied with the Product Offerings. *
   Mark only one oval per row.
   - Strongly Disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly Agree

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9. **Product offerings gave/give the company Competitive Advantage.**
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10. **Product offerings led/lead to limited reach.**
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11. **Product offerings existed/exist at various price points.**
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12. **Product offerings had/have the right messaging.**
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13. **Product offerings were/are limited.**
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14. **Products were/are Aesthetically Designed**
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15. **Products were/are Aesthetically Designed.**
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16. **Products were/are Aesthetically Designed.**
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17. **Products were/are widely known.**
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**Supply Chain Competitive Advantage**

**SECTION C2: Pre and Post Merger Analysis of Supply Chain Competitive Advantage**

Please note: Supply chain varies from department/BU you work in/under. Look at it as the back office that creates the different products/materials that you use/implement/promote.

18. **I was/am satisfied with the facets of the Supply Chain I interacted with.**
   *Mark only one oval per row.*

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19. **The Supply Chain gave/gives the company Competitive Advantage.**
   *Mark only one oval per row.*

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20. **I was/am satisfied with the reach of the Partner network.**
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21. I was/am satisfied with the skill set of the Partner network. *

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22. The Partner Network was/is satisfied with the Partner Program. *

Please note: This depends on your Partner interaction and the feedback you've gotten. Mark only one oval per row.

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23. I was/am satisfied with the expediency of the Logistics team. (speed/delays/ responsiveness) *

Please note: Logistics Team is relative and depends on your BU. Mark only one oval per row.

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24. I was/am satisfied with the accuracy of the Logistics team. *

Please note: Logistics Team is relative and depends on your BU. Mark only one oval per row.

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25. I was/am satisfied with the simplicity of the Ordering system. *

Please note: Ordering System is relative and depends on your BU and what you're ordering. Mark only one oval per row.

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**Business Model Competitive Advantage**

SECTION C3: Pre and Post Merger Analysis of Business Model Competitive Advantage

26. I was/am satisfied with the Business Model *

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27. Business Model gave/gives the company Competitive Advantage. *
   Mark only one oval per row.

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28. Business Model led/leads to limited reach. *
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29. Go to market Strategy was/is well communicated. *
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30. Go to market Strategy was/is well implemented. *
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31. Business Model was/is complex. *
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32. Business Model adapted to market needs. *
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33. Business Model was/is well understood by Partner Network. *
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