Prof. Niederman (St. Louis University) on IS integration following mergers and acquisitions

Mergers and acquisitions are a frequent occurrence in the business environment across industries and throughout the world. A surprising number of such M&A end up losing money for stockholders, of both the acquiring and acquired firm. A major reason for such loss may be the inability to integrate functionality in the emergent entity from the original acquired and acquiring firms. While some management and financial literature addresses precursors to differentiating more from less successful M&A, little rigorous study is available for guidance and prediction of actions to aid in such integration.

This discussion will present the results of a grounded theory study pertaining to such integration of the IS function following M&A. Among the key findings were a variety of issues that relate to the instantiation of general business management practices in the IS realm, to issues that pertain more specifically to firms attempting different strategies in their integration efforts, and to issues specific to IS configurations and their related challenges.

The presentation will also present an overview of the pros and cons of using grounded theory as a means of gathering data on this phenomenon and suggest some lessons learned about its use.