



COS

CENTRE FOR ORGANISATIONAL STUDIES

Foundation José M. de Anzizu

CENTRO DE ESTUDIOS SOBRE LAS ORGANIZACIONES

Fundación José M. de Anzizu

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EDITORIAL

JOSÉ M. DE ANZIZU

Two different sets of activities have been evolving during the second year of existence of the COS.

(I) Following our First Round Table on «Organisational and Cultural Aspects of Mergers and Acquisitions» (Barcelona, June 1989), more research and exchange of information on this specific topic were encouraged through the publication of a first Working Document, in both English and Spanish versions, the funding of case writing in collaboration with the European Foundation for Management Development (see COS Awards, page 3, for details) and the organisation of a second Round Table in Louvain last June. It was chaired by Leopold Vansina and was titled «Mergers and Acquisitions»: Learnings from the Practice» (see Summary on page 2).

To focus on a single organisational issue every year or two seems to be a well-accepted, worthwhile idea which will continue in 1991 and most probably in 1992 and 1993. The managerial aspects involved in East-West Joint Ventures and Alliances will be our next theme (1991 Round Table in an East European City plus Case Writing Awards in collaboration with EFMD) with the possibility of moving into some other organisational aspects of the «globalisation» trend later on. In fact, all of these topics are related to the area of «intercompany relations», a discipline which according to Kenichi Ohmae (Harvard Business Review, March-April 1989) has been neglected by scholars and deserves much more attention given the importance of business collaborations in today's competitive global environment.

(II) Besides this, the personal values, characteristics and current work of the majority of the COS Board members, Advisors and main supporters, seem to push the emphasis more and more towards developing activities which stress communication and linkages between those people who belong to different cultures and professions but share a common interest in observing, studying and often managing businesses and other institutions. They also share the final aim of improving the economic, social and human efficiency of those organisations. As you will see, some of our 1991 activities are moving in that direction, with special emphasis on collaborating with our friends and colleagues from Eastern Europe in order to help them find their own way, as soon as possible, towards meaningful economic and social development.

COS INTERNAL ORGANISATION

ADVISORS

Following an invitation from the Board, the following professionals have accepted their nomination as Advisors to the COS.

THOMAS LUPTON, from the United Kingdom. Professor of Organisational Behavior and formerly Director General of the Manchester Business School. He is now teaching and consulting and lives in Barcelona.

EDGAR H. SHEIN, from the United States. Sloan Fellows Professor of Management at MIT, Boston. He is the author of many well-known books and articles as well as Professor and Consultant on Organisational matters.

LEOPOLD VANSINA, from Belgium. Founder and Director of IOD (International Institute of Organizational and Social Development), Professor at the Universities of Leuven and Louvain la Neuve and Consultant on Strategic Management and Organisation in national and international settings.

BOARD

The Board of COS continues to be formed by the following persons:

ANTONIO DE ANZIZU, Owner-Manager of a Legal Services firm, Barcelona;

JOSE M. DE ANZIZU, Owner of a Real Estate Services firm operating in Barcelona and also Professor and Consultant on Organisational matters;

PENNY JONES, Management Consultant based in London;

DAVID PARCERISAS, Director General of a Business School (EADA), Barcelona; and

SYBREN TIJMSTRA, Director of ICSC, University of Twente, The Netherlands.

SECRETARIAT

We have had some changes in our Secretariat, Patricia Strachan and Rosa M.^a Mestres will continue to help part-time and **SUSAN BARNES** will be in charge of the administrative matters of COS. Susan graduated from Eastern Michigan University (USA) and did her internship through ESADE (Spain), and has had administrative and marketing experience in the USA, Colombia and Spain before joining us.

MAILING LIST

Apart from the initial extensive Mailing List, we have developed a restricted one that includes only those people and institutions that have expressed interest in maintaining regular contact with the COS. In July 1990, our mailing list contained 900 addresses, of which more than

half were from outside Spain. Most came from the United States, the United Kingdom, the Netherlands and other Northern European countries. Eastern European Countries, particularly Poland and Czechoslovakia, were also well represented. Roughly one-third of those on the mailing list are managers and the rest are either consultants or academics.

SUMMARY OF THE COS ROUND TABLE II ON MERGERS & ACQUISITIONS: LEARNINGS FROM THE PRACTICE

June 17-19th, 1990, Leuven, Belgium

by Sybren Tijmstra, Director of ICSC (University of Twente, The Netherlands) and COS Board Member

As the second Newsletter has already indicated, COS decided to enlarge its expertise in the field of Mergers and Acquisitions (*), based on the first Round Table, by choosing the same theme for the second Round Table.

Round Table II under the able chairmanship of Leopold Vansina, director of the International Institute of Organizational and Social Development (IOD) attracted seventeen invited professionals to Leuven to discuss, for two full days, the practice of Mergers and Acquisitions.

Eight nationalities and all three professional disciplines (managers, consultants and academics [**]) were represented. Some of the participants had also taken part in the first Round Table allowing a good mix of fresh ideas and continuity.

The purpose of the Round Table II, as formulated by its chairman, was the «sharing and comparing of learnings and experiences in mergers and acquisitions in order to enrich our understanding and to increase our effectiveness in managing the overall organizational change process for the benefit of society as a whole».

At the first Round Table, we saw a tendency to consider merger activities either in the time frame preceding the formal agreement, or to concentrate on the formal and informal post-agreement period, but seldom were the two time frames considered as parts of a whole. Therefore, this second Round Table tried to focus on how to manage the overall process in order to realize initial intentions and expectations whilst creating new conditions for further integration and development.

Due to a careful selection of well-prepared case presentations, which were used as the basis for the Round Table discussions, we were able to avoid many of the time-frame problems. Another characteristic of the first Round Table that was still present in this second Round Table was switching from one level of analysis to another (the macro organizational/strategic level, and the micro personal and integrating level) without considering both levels at the same time.

While the emphasis might have been more on the micro level in the first Round Table, the macro level was addressed to a substantial extent in this second meeting.

During the meeting, the distinction between hierarchical system levels (corporate - business/organizational - operational) and degrees of autonomy (culture - group - individual) proved to be very useful to position the discussions. At different stages of any change process (and mergers and acquisitions can be seen as very severe change processes), various mixtures in degrees of autonomy and in levels of hierarchical systems have to be used. If there was one lesson to be learned from all of the presented cases, it was that in any merger or acquisition, commitment of top management, sharing clear goals, and developing common language are crucial. This means, above all, that a clear communication policy and practice have to be implemented as soon as possible to underpin the change process.

But even if all the success factors seem to be in place, the examples from practice suggest that the process is rather unpredictable and, in many cases, real integration might well take a generation. However, by increasing our effectiveness in managing the overall organisational change process, we might make it challenging and even enjoyable for the «transition generation» involved and diminish hardship accordingly.

We hope that the second Round Table will not only have increased the effectiveness of its participants in their change processes, but that COS will, by way of another publication, more case writing, as well as workshops and seminars, be able to spread the expressed ideas to a wider audience.

(*) See the COS Working Document I; MERGERS AND ACQUISITIONS: ORGANISATIONAL AND CULTURAL ISSUES (Ed. Gestió 2.000, 1990).

(**) Attendants of the COS Round Table II: Leopold Vansina, IOD, Belgium (Chairman); José M.ª de Anzizu, IESE, Spain; Ian Barber, Consultant, Spain; Henri Bois, Jetsac Siep, S.A., France; Max Boisot, ESADE, Spain; Francesco Fattore, Carnaud-Metal Box, Italy; James Hamill, SIBU, UK; Penny Jones, Consultant, UK; Bert Kool, Hospital Centre, Netherlands; Ketil Natvik, VITAL, Norway; René Olie, University of Limburg, Netherlands; David Parcerisas, EADA, Spain; Eddy Riegen, N.H.A., Netherlands; Roger Salmon, N.M. Rothschild & Sons Ltd., UK; Edgar H. Schein, MIT, USA; Sybren Tijmstra, ICSC University of Twente, Netherlands. As a «rapporteur», Jane Salk, MIT, USA.

OTHER COS ACTIVITIES DURING 1990

* As an outcome of Round Table I, José M. de Anzizu coordinated two **Seminars on the Implementations aspects of Mergers and Acquisitions**. One took place at the EOI, Madrid, and the other at ESADE, Barcelona. In the latter, Professor Max Boisot and Mr. Juan Echevarría, General Manager of NISSAN-Motor Ibérica, also took part. This second Seminar was sponsored by the «Fundació Empresarial Catalana».

* There is an important number of **Eastern European** professionals who have shown interest in the activities of COS and are listed in our Restricted Mailing List. The Board decided to devote a certain amount of funds to help improve East-West European activities in our field. As a consequence, we invited several **professionals from Poland** —Mrs. Zofia Rummel-Syska (University of Warsaw), Mr. Zbigniew Chroszczicki (Institute of Political Sciences) and Mr. Pawel Ruzskowski (Self Management Institute)— to spend one week in Barcelona last Spring. They visited several Catalan Institutions and held a Conference at the Faculty of Economics of the University of Barcelona (Chair of International Relations). As a result of these contacts, Miss Elisabeth MacCormick of IESE later visited several Polish Institutions and Mr. Joaquín Muns, Professor of the University of Barcelona, was invited to Warsaw and Gdansk. He held several conferences and meetings, including one with Mr. Lech Walesa and his advisors. Several Ministers and top officials of the present Polish Government took part in Mr. Muns' activities.

At the same time, José M. de Anzizu was invited by Prof. Zdenek Dytrt to visit **Czechoslovakia** and talk about «Entrepreneurship» at the Training Centre of the «Institute for Education of Executive Staff of the Ministry of Industry», in Kralupy, near Prague. The Seminar was attended by about forty Czech Managers. An agreement between this Institute and COS has been made in order to collaborate in future activities both in Prague and in Spain.

* The 1990 COS budget also contained a limited amount of funds to help **Third World Projects** where organisational issues were involved. To this end, we have started to help a Change Program in the Republic of Tchad (Central Africa) which emphasizes local, step by step, non-sophisticated development aimed at setting up a network of carpentry shops where locally trained natives help establish other shops in small, rural towns. We have also started to store data on the prerequisites, alternatives and realities of this change process, which is sponsored by the Local Government, the EC and private individuals. The project has a base of more than ten years of preparatory work.

* We have welcomed and assisted several professionals who, for various reasons, visited Barcelona during the year. In the case of **Andrej Vizjack from the Institute for Organisations of Munich University**, we helped organize a Seminar for Doctoral Students at IESE, where Andrej explained his recent research on Mergers and Acquisitions. A **Dutch Student from the University of Amsterdam, Tianneke Timmers**, who was referred to COS by Professor Geert Hofstede from the Netherlands, spent half a year in Barcelona studying the realities of German and Dutch-Spanish mergers and acquisitions from a cultural point of view. We helped by providing contacts and the use of the library and of office space.

* In collaboration with EADA, COS organized a one-day **Conference on Leadership conducted by Prof. Warren Bennis**. The conference was attended by a group of managers, consultants and academics, including our friends from Poland.

COS AWARDS FOR CASE WRITING ON MERGERS AND ACQUISITIONS

The COS joined the EFMD in its efforts to promote case writing of European Cases, with an emphasis on Mergers and Acquisitions. COS granted three scholarships and gave two prizes. Mr. Thomas Lupton, former Director General of Manchester Business School, coordinated this project on behalf of COS.

The prizes were presented to the winners on the occasion of the EFMD General Assembly, which took place in Munich last June.

The following is the list of cases on Mergers and Acquisitions submitted for consideration:

METAL BOX - CARNAUD, A case study of the 1989 merger between Metal Box Packaging (UK) and Carnaud (France) to form CMB Packaging
Dr. Jim Hamill
Strathclyde International Business Unit, Glasgow, Scotland

WAVIN-JET SAC, Planning and executing a successful international acquisition
Rob van den Bergh, Geert Rongen and Bernard Wessel
IBO, Zeist, The Netherlands

ALCATEL NV, Strategic consequences of a technological jump
Thomas Durand, Nicolas Kandel, Tse-Sung Wu
Laboratoire Strategie et Technologie, Paris, France

NESTLE-ROWNTREE
Peter Killing, James Ellert, Dana Hyde
IMEDE, Lausanne, Switzerland
(COS 1st prize)

THOMSON CONSUMER ELECTRONICS, S.A.
Guillaume Frank
Groupe HEC, Jouy-en-Josas, France
(COS 2nd prize)

THE UNYSIS MERGER, When lovers meet or a well-arranged marriage?
Jesper Strandgaard Pedersen
Institute of Organization and Industrial Sociology, Copenhagen, Denmark

CAJA DE AHORROS Y PENSIONES DE BARCELONA
Dr. Joaquín Tena
Universidad Autónoma, Barcelona, Spain

ESPRIT. Alliance strategies and tactics in an international arena: the negotiated order of «Esprit»
Arthur F.P. Wassenburg
Graduate School of Management, Erasmus University, Rotterdam, The Netherlands

ELECTROLUX. THE ACQUISITION AND INTEGRATION OF ZANUSSI

Philippe Haspeslagh, Sumantra Ghoshal
INSEAD, Fontainebleau, France
(EFMD 1st prize)

NOKIA DATA

Robert C. Howard, Kamran Kashani, Werner Ketelhöhn
IMEDE, Lausanne, Switzerland
(EFMD 2nd prize)

THE EUROPEAN HEALTH INSURANCE COMPANY

Francisco J. Guillén
IESE, Barcelona, Spain

THE INTERNATIONALISATION OF ELLE

Bernard Cova, Farhad Rad-Serecht, Marte-Catherine Weil
Ecole Européenne des Affaires, Paris, France

THE ACQUISITION OF MARTELL

Ingo Walter, Roy C. Smith
INSEAD, Fontainebleau, France

SEB-ROWENTA - 6080

Groupe CPA
EAP, Paris, France

Several of these cases will be included in the COS Working Document No. 2 which we plan to distribute in either the English or the Spanish version during the first half of 1991. For pedagogical use, permission has to be obtained from the authors and institutions involved.

COS LIBRARY SERVICES

When we started developing the idea of a Centre for Organisational Studies some four years ago, it was clear that we needed to organize a specialised library which could be at the disposal of the individuals and institutions linked to the COS.

CONFERENCES AND WORKSHOPS

- * Strategic Management Society Workshop Cambridge (UK) 11-14 December 1990. «Leadership and the management of strategic change». Info: Cranfield School of Management, Centre for Strategic Management and Organisational Change. Bedford MK430AL, UK.
- * «Towards a new theory of organisations», Keele (UK) 3-5 April 1991. Info: Centre for Graduate Management Studies, University of Keele, Keele, Staffordshire, UK ST55BG.
- * EFMD 1991 Conference, Den Haag 9-12 June 1991. «Managing without borders». Info: EFMD, 40 rue de Washington, B-1050 Brussels.
- * 8th SCOS Conference, Copenhagen June 26-28 1991. «Reconstructing organisational culture». Info: 23 Blaagaardsgade, DK-2200 Copenhagen N.
- * 10th EGOS Colloquium, Viena July 15-17 1991. «Societal change between market and organisation». Info: Institute for Advanced Studies, Stumpergasse 26, A-1060 Viena.

We cannot yet provide a wide range of services, but we believe it is now time to offer access to the Journals and Magazines to which we regularly subscribe. Those most specialized in organizational matters are the following:

1. Academy of Management Review, The
2. Administrative Science Quarterly
3. Business Horizons
4. California Management Review
5. Executive, The
6. European Business Review
7. European Management Journal
8. Journal of General Management
9. Journal of Management Studies
10. Journal of Organizational Change Management
11. Organizational Development Journal
12. Organizational Dynamics
13. Organization Science
14. Organization Studies
15. Revue Française de Gestion
16. Sloan Management Review

Apart from the possibility of consulting a given Journal in our facilities, we are prepared, if it is considered a worthwhile service to the professionals associated with us, to issue **Quarterly Summaries of the Journals (or, depending on the publication, perhaps the Table of Contents) and a Comment in English and Spanish on one of the articles appearing during the quarter.** We are also starting to negotiate with some of the publications, the possibility of sending photocopies to anyone interested in a given article. The annual fee for receiving the Summaries will probably be in the order of 20 US dollars plus postage. We foresee that this amount will cover the cost of the service plus an additional small amount to help send the materials, at a lower fee, to professionals located in Eastern European countries.

To test the service, we plan to send the summaries and the quarterly comment, free of charge, to all the addresses on our Mailing List for at least two quarters to see how many people are interested.

Professor Joaquín Tena, from the Universidad Autónoma of Barcelona, will be in charge of coordinating this service. We welcome suggestions concerning subscription possibilities for new Journals and Magazines and would appreciate any comments and/or suggestions you may have. (See attached form.)